JANUARY 1963

MONTHLY REVIEW

AN INDEPENDENT SOCIALIST MAGAZINE

VOL. 14

9

A FOOL'S GAME: CHINA ■ INDIA THE BORDER DISPUTE

THE EDITORS

THE ARGUMENT OF LATIN AMERICA

CARLOS FUENTES

Marxism and Mathematical Economics

LEIF JOHANSEN

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CONTENTS | VOLUME FOURTEEN NUMBER NINE JANUARY 1963

REVIEW OF THE MONTH: A Fool's Game 465
THE ARGUMENT OF LATIN AMERICA: WORDS FOR THE NORTH AMERICANS by Carlos Fuentes 487
MARXISM AND MATHEMATICAL ECONOMICS by Leif Johansen 505
WORLD EVENTS by Scott Nearing 515
BOOKS: RADICAL DEPARTURE by Norm Fruchter 521

MONTHLY REVIEW: Published monthly except July and August when bimonthly, and copyright, ©1963, by Monthly Review, Inc. Second class postage paid at New York, N. Y.
EDITORIAL AND BUSINESS: 333 Sixth Avenue, New York 14, New York. Telephone: CHelsea 2-6494.
NEWSSTAND DISTRIBUTOR: B. De Boer, 188 High Street, Nutley, N. J.
SUBSCRIPTION PRICE: One year—$6 in the U.S.; $7 foreign. By 1st class mail—U.S. $8; everyhere else $9. By air mail—No. America $10; So. America $15; Europe $20; Asia and Africa $25.
EDITORS: Leo Huberman and Paul M. Sweezy.

NOTES FROM THE EDITORS

Both our new Cuba books—Bill Williams' *The United States, Cuba, and Castro,* and Joe Morray's *The Second Revolution in Cuba*—have now been mailed out to those who ordered at prepublication prices. These are timely and important books the wide distribution of which can contribute to an understanding of the Cuban Revolution and an intelligent reappraisal of U.S. foreign policy. We ask our readers to help get them around. See that your local bookstore carries them. Get your library to acquire them. Talk them up to your friends.

Incidentally, you can make use of a rather unusual sales argument in promoting the Williams and Morray books: both authors are graduates of the U.S. Naval Academy. We are wondering when MR Press will publish its first book by a West Pointer!

We have one definite new book announcement this month—A. L. Morton's *The Life and Ideas of Robert Owen.* Official publication date will be in March at which time the price will be $3.50. But the book is now ready and available at the prepublication price of $2.25. For Friedrich Engels' estimate of the importance of Robert Owen, see the ad on the back cover.

Other books in the works include: *A Philosophy of Man,* by Adam Schaff (leading Polish philosopher); *The Menace of the Miracle: Germany from Hitler to Adenauer,* by Heinz Abosch (West German journalist); *Politics and Law in South Africa,* by Julius Lewin (South African professor of law); *Puerto Rico: Freedom and Power in the Caribbean,* by Gordon Lewis (of the Faculty of Social Science at the University of Puerto Rico). Watch for further announcements in early issues.

Response to the annual MR Associates appeal has been better than last year, but our present and prospective heavy publishing schedule means that we have urgent need of additional cash resources. If you haven't already joined the Associates, please do so now. And if you have

(*continued on inside back cover*)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A FOOL'S GAME

> *When a country had a long and chequered history, it gives enough material, it supplies enough material for any party to support any claim.*—Indian Prime Minister Nehru in the Lok Sabha, September 4, 1959.

Mr. Nehru, in the statement quoted above, was talking about Tibet, but what he said applies to the whole vast mountainous region which India shares with her neighbors to the north. It would be hard to find any part of the world with a longer or more checkered history. And the claims of all parties concerned are numerous, conflicting, and plausibly supported by historical material.

Under these circumstances, it should be obvious to a 10-year-old that the only way to a peaceful resolution of the various claims and counter-claims is through a process of compromise. And this was in fact exactly the way the borders between China on the one hand and Burma and Nepal on the other were settled. In both cases, the status quo was taken as the starting point of negotiations, and adjustments one way or the other were made on the basis of geographic factors, historical claims, and the particular interests of the parties involved. Both borders were demarcated and recognized in formal international treaties signed in the fall of 1961. Neither was the scene of armed clashes. On balance, it seems clear that in this process of give-and-take, China gave considerably more than she took.*

As between China and India, matters have taken a very different course. No compromises have been made; indeed no basis for negotiations has ever been agreed upon. And the dis-

* For these and many other facts we are indebted to an excellent booklet entitled *Whither India-China Relations?* by the Ceylonese writer Theja Gunawardhana (Colombo, December 1961), henceforth cited as WICR.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

puted areas have been the scene of numerous armed clashes, culminating in large-scale warfare along the entire border in the months of October and November. Why? Has China's policy toward India been different from her policy toward Burma and Nepal? Or has India, unlike Burma and Nepal, been unwilling to enter upon the road of compromise?

On these questions the record is absolutely clear. China has repeatedly asked for negotiations on the basis of the status quo as it existed in 1959 when the border clashes began. India has at all times insisted that all of her own principal claims must be conceded before the detailed work of demarcating the border could begin. Thus there can be no doubt whatever that it is India and not China that has stood in the way of a settlement through compromise. But before we can go a step further and lay the blame for the present conflict on India, we must examine the status quo of 1959 which China proposes should be the basis of the bargaining process. Was the situation which then existed specially disadvantageous for India? Would its acceptance by India have been inconsistent with the dignity and honor of a nation which had only recently won its independence and was justifiably jealous of its sovereignty? To answer these questions, we must recall the salient facts of the situation as it existed in 1959.

The Sino-Indian border is divided into three sectors. The western sector separates the Ladakh area of the state of Kashmir on the Indian side from Sinkiang (Chinese Turkestan) and Tibet on the Chinese side. The middle sector separates the Indian states of Punjab, Himachal Pradesh, and Uttar Pradesh from Tibet. And the eastern sector separates the Indian state of Assam from Tibet. The major disputes concern the eastern and western sectors.

In the east, the Indians were in actual control of the area to the south of the so-called McMahon Line. The McMahon Line runs through the peaks of the Himalayan mountains and in general is based on the watershed principle (all lands through which waters flow to the north being on one side of the Line and lands through which waters flow to the south being on the other side). It was named after the British delegate at a 1914 conference held in Simla, India, attended by representatives of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Britain, China, and Tibet. The Chinese government did not accept or recognize the McMahon Line at that time, and no Chinese government ever has since. Chiang Kai-shek is as much opposed to it as Mao Tse-tung. The Chinese claim that the traditional boundary had included the entire southern slope of the Himalayas in Tibet, and that the area between this traditional boundary and the McMahon Line (some 35,000 square miles, including much good farmland and valuable forests) had been stolen from China by British imperialism. It was organized by the British as a special border territory called the Northeast Frontier Agency (NEFA) and retains that status today under Indian rule. The Indians belittle the Chinese claim, asserting that "there is no doubt that the McMahon Line . . . merely confirmed the natural, traditional, ethnic and administrative boundary in the area."* We do not pretend to any expert knowledge on this question, but the fact that such authoritative (and certainly not anti-Indian) sources as the 1929 edition of the *Encyclopedia Britannica* and the 1940 *Oxford Advanced Atlas* (*Bartholomew*) show the border as claimed by China hardly lends support to the Indian contention. From what evidence we have been able to collect, apart from India's bare assertions, the Chinese charge that India holds the NEFA solely as the heir of British imperialism seems all too well founded.

In the west, the situation in 1959 was altogether different. The Chinese claim that the traditional border between China and Ladakh has for centuries been the Karakoram mountain range, considerably to the south and west of the Indian conception of the border. But prior to 1954, even the Indians did not assert that the line had ever been demarcated. *Peking Review* of November 30th reproduces a map published by the Survey of India (an official government agency) in 1950 entitled "India Showing Political Divisions in the New Republic." The whole border area between Jammu and Kashmir on the one side and Tibet on the other bears the inscription "boundary undefined." *Peking Review* also reproduces a map published by the Survey of India in 1954 entitled "Political Map of

* "Background Report: India-China Border Problem," *Weekly India News* (published by the Embassy of India, Washington, D. C.), November 30. This article contains a detailed statement of India's case.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

India." On this later map, the boundary is drawn very precisely indeed. What had happened in the meantime to produce this remarkable clarification of the situation? The explanation was apparently provided by Nehru in a speech to the Lok Sabha (Lower House) on February 21, 1961. We quote:

> When the Chinese forces first entered Tibet, that is ten years ago in 1950-51, frankly we did not expect any trouble on our border but, naturally, looking at things in historical perspective, we thought that the whole nature of our border had changed. It was a dead border, it was now becoming alive, and we began to think in terms of the protection of that border, that is, the border with Tibet at that time.
>
> Our attention was first directed, naturally or not, to these borders, and a high level, high power committee was appointed, the Border Defense Committee, right then in 1951 or 1952, I forget. This Committee presented a comprehensive report, and many of the suggestions were accepted by Government, some were not. This was ten years ago.*

It would seem that one of the first things the Border Defense Committee did was to define precisely what border it proposed to defend. This was done unilaterally, of course, without in any way consulting China.

In the meantime, the Chinese Red Army had entered Tibet from Sinkiang—primarily to mop up Kuomintang forces—via the Aksai Chin plateau, well to the east of the Karakoram range but within the territory India was to claim as hers. An old caravan route which the Chinese had been using since time immemorial passed through this region and provided the only practicable route from Sinkiang to the interior of Tibet. The Chinese authorities established military and administrative control over the Aksai Chin plateau, and several years later—in 1956-1957—transformed the caravan route into the Sinkiang-Tibet Highway which Chinese Premier Chou En-lai, in his letter of November 15th to the heads of Asian and African countries, described as a "gigantic task of engineering."**

Why didn't the Indians, who had already laid claim to this

---

* WICR, p. 66. A good deal might be cleared up if the Government of India would publish this report.

**This important document is published in the *Peking Review* of November 30, 1962.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

area in their map of 1954, protest against these Chinese "incursions" at the time when they were taking place? Why did they wait until 1959, two years after the highway had been completed? The answer is very simple: *the Indians had no idea what was going on in Aksai Chin.* Here is the way Nehru explained the matter to the Lok Sabha on February 23, 1961:

> There were some seasonal caravan routes in the Aksai Chin area which had been used for a long time past by caravans. The Chinese used them also in the past, when we did not connect it with any kind of aggression. It was a common practice. This is right in the northeastern bit. . . . This was not supposed to mean sovereignty. It was a caravan route being used by any party. This is a Central Asian route. There were very few roads or routes there, and it was supposed to be open traffic.
>
> In 1955—we did not know this date then, we found out later—the Chinese started levelling the caravan route for the purpose of using it as a motorable tract. It took them about a couple of years. It was not clear to us then whether this proposed motor way crossed our territory. The first suspicion that this might be so came to us in 1957, from a map published in Peking. . . . We did not even then know definitely whether this transgressed our territory. The map was a small map, but half a magazine page. We did not know, but we began to suspect it. As we did not have proof, we did not know, but we began to suspect it. As we did not have proof, we did not protest then. (WICR, p. 67.)

But, you may ask, how is it possible that a country doesn't know what is going on in part of what it claims to be its territory? Again, the answer is simple: India had never actually occupied the area, and in fact there are no roads or other regular communication routes between India and Aksai Chin. The area is forbidding mountain country, practically uninhabited except for nomads grazing their flocks in the valleys in summertime. The only usable access is *not* from India but via the caravan-route-turned-highway from Sinkiang to Tibet. Once again, a quotation from a Nehru statement in the Lok Sabha (August 28, 1959) will help to clarify the situation as it then existed. Answering a question about the Chinese road, Nehru said:

> The House will appreciate that these areas are extraordinarily remote, almost inaccessible, and even if they can be approached, it takes weeks and weeks to march and get there.
>
> In that connection, a reconnaissance party was sent there, I

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cannot say exactly when, but I think it was a little over a year ago. . . . In fact, two parties were sent; one of them did not return and [the] other returned. . . . When it did not return, we waited for it two or three weeks, because these were remote areas. When it did not return, we suspected that it might have been apprehended or captured by Chinese authorities on the border.

So we addressed the Chinese authorities . . . about a month after this incident; and they said, yes, some of our people had violated their border and come into their territory, and they had been apprehended, but because of their relations with us, etc., they were going to release them, and they did . . . after they had been with them about a month or so. That is concerning this road about which the Hon. Member was inquiring. In all this area, there is no actual demarcation. So far as we are concerned, our maps are clear that this is within the territory of the Union of India. It may be that some of the parts are not clearly demarcated or anything like that. But obviously if there is any dispute over any particular area, that is a matter to be discussed.

I may say that this area has nothing to do with the McMahon Line. The McMahon Line does not extend to the Ladakh areas; it is only on the other side. This was the boundary of the old Kashmir State with Tibet and Chinese Turkestan. Nobody had marked it. But after some kind of broad surveys, the then Government had laid down that border which we have been accepting and acknowledging. . . . But it is a fact that part of Ladakh is broadly covered by the wide "sweep of their [Chinese] maps." (WICR, p. 53.)

The situation on the western sector of the Sino-Indian border in 1959, then, can be summed up as follows: Both sides had what they considered to be valid historical claims to the Aksai Chin plateau. The Indians had never had administrative control over the area, and prior to 1950 it seems likely that the Chinese had not either. But in that year, the Chinese Red Army came in via the old caravan route and established Chinese control. In 1956-1957 the Chinese turned the caravan route into a modern highway connecting their two westernmost provinces. The Indians got their first inkling of this activity from a magazine published in Peking. In 1958, they sent reconnaissance parties into the area who found Chinese in possession. One of the parties was arrested and held for about a month.

The Indians still did not raise the issue publicly, and it is not possible to speak of a border dispute until a year later, in the spring and summer of 1959. Why this delay? The answer,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

it would seem, is that by 1958 Sino-Indian friendship was apparently well established and looked upon with great favor by the Indian people. To disrupt it over a piece of barren and unpopulated territory which the Indians couldn't even get to except after weeks of trekking through the mountains would have seemed frivolous and quite possibly would have been politically dangerous. A year later the situation was quite different. What changed it was the Tibetan rebellion of March, 1959. There is no space here to analyze this important event, or to discuss the ways in which it affected the status of Tibet within China or the interests of India. Suffice it to say that the suppression of the rebellion by Chinese forces both offended and frightened the Indian ruling class. A great hue and cry was raised in the Indian press and indeed throughout the capitalist world: the Chinese were violating the autonomy agreement of 1951, religion was being suppressed, the feudal landlords and lamas were being deprived of their freedom (to exploit their serfs in the most ruthless and brutal way), etc. Anti-Chinese sentiments were stirred up in every possible way. In this changed political atmosphere, the problem of the Sino-Indian border took on a new aspect.

Now putting together the situation as it existed in 1959 in the east with that in the west, we get the following overall picture: In both areas certain regions were in dispute (35,000 square miles in the east and 13,000 square miles in the west). In the east, the Indians were in possession of the disputed area; in the west, the Chinese. It was in these circumstances that the rebellion of the Tibetan oligarchy erupted and was put down. Shortly afterwards, the Indians began to send patrols into Chinese-held territory and to establish military strong points. In August, the first blood was drawn at Longju which the Indians claimed was to the south and the Chinese to the north of the McMahon Line. Two months later, an even more serious clash occurred at the Kongka Pass in the western sector. Reacting to these events, the Chinese on November 7, 1959 (a date which has figured prominently in Chinese statements and proposals of the past two months), proposed that both sides withdraw 20 kilometers from the actual line of control and enter into negotiations to settle the location of the boundary.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The implications of this proposal were clear: the status quo should be taken as the basis of negotiations. In the east, the Chinese were in effect offering to accept the McMahon Line, provided the Indians would accept in the west a line which in the main coincided with what the Chinese regarded as the traditional boundary. The Indians rejected this offer then and have consistently rejected it ever since. No negotiations could take place, they said and still say, unless and until the Chinese accept not only the McMahon Line but also India's unilateral definition of the boundary in the west.

We can now answer the question posed earlier, whether the compromise offered by China was disadvantageous to India or damaging to her honor and dignity. It is very hard to see how any rational person could so regard it. India would be getting legal recognition of her possession of a valuable area in the east in exchange for giving up a claim to an area in the west which India had never occupied, which by no stretch of the imagination could be considered to have any value to her, and which indeed India could reach only with the greatest of difficulty. It was rather China that would have to swallow a bitter pill by recognizing the McMahon Line which for all Chinese is a hated symbol of China's past weakness and humiliation at the hands of Western imperialism. That China nevertheless made the offer testifies not only to the economic and strategic importance *to China* of the Singkiang-Tibet Highway, but also to a sober sense of realism and a desire for peace. The Indians were in control up to the McMahon Line and the Chinese knew that they could not be displaced except by military means. They did not want a war and *proved* that they were willing to make sacrifices in order to avoid one.

Everything that has happened since 1959 followed with all the inevitability of a classic tragedy from India's rejection of the only compromise that could have led to a peaceful settlement of the border dispute. Having defined the Chinese occupation of Aksai Chin as "aggression"—Nehru used the term in the Lok Sabha on April 26, 1960, immediately after talks in New Delhi with Chou En-lai—India quite logically began to apply military pressure in an effort to oust the Chinese from their positions in the Ladakh area. During the next two years, the In-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dians pressed forward to the accompaniment of increasing clashes. Chou En-lai gave the following account of what happened in his November 15, 1962, letter to the heads of Asian and African countries:

> Prior to the recent general outbreak of clashes on the border, India had established a total of 43 strongpoints encroaching on Chinese territory in the western sector of the border. . . . Some were set up only a few meters away from Chinese posts, others even behind Chinese posts, cutting off their access to the rear. As Prime Minister Nehru put it in addressing the Indian Lok Sabha on June 29, 1962, "India had opened some new patrol posts endangering the Chinese posts and it was largely due to movements on our side that the Chinese had also to make movements. *It is well known in knowledgeable circles in the world that the position in this area had been changing to our advantage and the Chinese are concerned about it.*" The Indian weekly *Blitz* openly boasted at the time that India had occupied 2,500 square miles of territory there, which the weekly described as a "unique triumph for an audacious Napoleonic planning" worked out by Defense Minister Krishna Menon. Invading Indian troops again and again launched armed provocations against Chinese frontier guards. Indian aircraft again and again violated China's air space and recklessly carried out harassing raids. As a result of these increasingly frequent acts of provocation on the part of India, the situation in the western sector of the Sino-Indian border grew sharply in tension and gravity. [Emphasis added.]

Achieving successes against relatively light Chinese resistance in the west, India proceeded to apply similar tactics in the eastern and middle sectors, the targets being Chinese-held points which India claimed to be south of either the McMahon Line or the middle boundary as unilaterally defined by New Delhi.

This, then, was the background to the outbreak of hostilities all along the border on October 20, 1962. At the time, this was presented by the U.S. press as resulting from an unprovoked general attack by China. We must confess that at first we were strongly inclined to accept this version of events, largely because it seemed so incredible that the Indians would court certain disaster by themselves launching large-scale offensive actions. But a careful re-reading of the *New York Times* during the month of October leaves little doubt that this is in fact just what the Indians did. Early in the month, a new Indian army

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

corps "assigned to the anti-Chinese operation" was formed under the command of Lieut. Gen. B. M. Kaul. An AP dispatch of October 11th reported "the most serious battle in three years" and added: "The firing broke out even as authoritative sources in New Delhi predicted that Indian forces were about to move in an effort to oust the Chinese from Himalayan territory." On October 12th Nehru declared that his government had ordered Indian troops "to free our territory in the northeast frontier." The "News of the Week" section of the Sunday *Times* of October 14th stated: "India is clearly out to make the point that she will resist physical incursions by the Chinese, and in the Dhola area she apparently has the force to do it. Once the point is made, the Indians probably would be willing to undertake negotiations. The question is what card Peking will choose to play in the deepening crisis." (The answer would not be long in coming.) The same day's paper reported from New Delhi that "Army commanders who have been ordered to oust the Chinese troops from the northeast frontier area left for their headquarters at Tezpur, Assam, during the day after consultations with the Defense Ministry." On October 15th, a Hong Kong report quoted extensively from a front-page editorial in *Jenmin Jih Pao,* organ of the Chinese CP, warning India to "pull back from the brink of the precipice." All points held by China in the east were to the north of the "illegal McMahon Line." China was "absolutely unwilling to cross swords with India" and had persistently sought a peaceful settlement. "What pains us is the fact that China's sincere desire to uphold Sino-Indian friendship should have been taken by the Indian reactionary ruling circles represented by Nehru as affording an excellent opportunity for them to embark on expansionist adventures." At the bottom of the same column was a one-inch Reuters dispatch from Bangalore: "Defense Minister V. K. Krishna Menon said here today that India was determined to throw the Chinese from Indian soil. 'We will fight to the last man, to the last gun,' he declared." On October 20th, the Chinese announced large-scale attacks by Indian troops at several points on the frontier, resulting in heavy Chinese casualties. A parenthetical insert in the same story stated: "Reports in New Delhi Friday [the 19th], neither confirmed nor denied by

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Indian government, said that Indian troops had pushed intruding Chinese Communist units back about two miles in one area of the frontier zone. New Delhi indicated that a heavy snowfall on the Tibetan border had curbed activity, but a spokesman called the situation 'fluid.' "

After we had assembled and collated the foregoing material from the *New York Times,* there arrived in the mail *I. F. Stone's Weekly* for December 10th with a wealth of very revealing material culled from the British press to support the same view, that it was India and not China that initiated the large-scale fighting of October.

Why did the Indians do it? One can only speculate that they must have been very badly informed about Chinese strength and/or that their successful advances of the previous two years had misled them into believing that the Chinese would continue to fall back indefinitely rather than risk a general war. One other possibility suggests itself: that the extreme reactionaries in the Congress Party and the army somehow managed to push the government into large-scale offensive action, knowing full well that the result might be a military disaster. The reasons would of course be political—to get rid of Krishna Menon, to undermine Nehru's position, to whip up war hysteria, to force India to seek military aid from the West. The plausibility of this hypothesis evidently derives from the fact that the political consequences were exactly as described.

As for the Chinese counter-attack, it must of course have been contemplated and prepared over a considerable period of time. Neither the massive striking force nor the perfection of military planning and execution displayed by the Chinese could have been hastily improvised (Kingsley Martin, reporting from Delhi in the London *New Statesman,* called it "one of the most brilliant operations in history"). What probably happened was that India's consistent refusal to negotiate on reasonable terms and her aggressive tactics from 1959 on, gradually convinced the Chinese that they would sooner or later have to administer a severe defeat to the Indians. The events of October signalled that the time had come.

It is hard to see what alternative the Chinese had. They were prepared to make generous concessions on the McMahon

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Line, but it is obvious that they could not and would not yield up Aksai Chin where they had made such a large investment—and one, moreover, which the Indians couldn't possibly use even if they had it. They couldn't very well accept the prospect of a border in perpetual turmoil. What else could they do but slap the Indians down and then offer to re-establish the status quo ante as a basis for negotiation?

There is reason to believe that more sober elements in India, and among India's backers in the West, are aware that the path of wisdom would now be to accept the Chinese offer and liquidate the whole miserable frontier dispute. In this connection, it may be worthwhile to quote at considerable length from an editorial in the *New York Times* of November 28th:

> Communist China's truce proposals in the Sino-Indian border war present the Indian government with an increasingly difficult decision. Nonaligned nations have now joined the Communists in urging India to take up the Chinese offer, while the contrary views of those in and outside India who oppose the proposition have notably hardened.
>
> New Delhi's dilemma is intensified by the fact that the kind of ultimate settlement implicit in the Chinese scheme is one that India might well be wise to accept with certain modifications. . . . It is highly improbable that the Chinese would ever make a more generous proposal unless they should suffer a major military defeat.
>
> To concede the Ladakh area to the Chinese would give the control of passes and access routes of great importance to China, while the loss for India—while impairing her defense line—would not be vital. Retention of the defensible McMahon Line in the northeast, guarding the valuable oil and tea-producing Brahmaputra Valley, is the key consideration for India. . . .
>
> Meanwhile, Mr. Nehru and his advisers are having to consider the truce offer in a domestic atmosphere supercharged with resentment against the Chinese and seemingly opposed to any concessions. Nevertheless, the proposals merit a realistic appraisal. Washington is well advised to keep pressures off on the decisions. This country has no desire to encourage India into a crippling war with Communist China if it can be avoided. Such a war would very possibly shatter India, wreck the prospects of a *modus vivendi* between the United States and Russia, and disrupt the already uneasy equilibrium of South and Southeast Asia.

From New Delhi, *New York Times* correspondent Paul Grimes reported a few days later in a somewhat similar vein:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In New Delhi, there were persistent but unconfirmed reports that India might be prepared to make at least a tacit concession to Peking [has the *Times* at long last reconciled itself to the change-over from Peiping to Peking?]. The reports said this might take the form of some sort of understanding that if the Chinese withdraw from their forward positions in the Ladakh area of Kashmir, Indian forces would not attempt to reoccupy them.

The major stake in Ladakh is a road that the Chinese built across the Aksai Chin plateau five years ago to link Singkiang Province with Tibet. Peking has made clear time and again that it is determined to keep this road but that it does not care so much about other border areas claimed by India.

After India's recent military reverses, the Foreign Ministry here appears to have tacitly acknowledged that India stands little chance of recapturing the Aksai Chin region and might as well write it off. The thinking in the highest official circles seems to be that the less India provokes the Chinese in Ladakh, the better will be her chances of reoccupying lost territory in the Northeast Frontier Agency area.

But to make such an admission publicly or in a formal understanding with Peking would be politically perilous for the Nehru government. Opposition leaders are shouting that the Chinese must be pushed back and Indian integrity defended, whatever the cost.

Yet, the reports say, the government would like its tacit assurances to get both to Peking and to Colombo, Ceylon, where representatives of a number of nonaligned Asian and African countries are scheduled to begin talks Monday [December 10] on the Indian-Chinese dispute. (*New York Times,* December 6.)

It thus appears that voices of reason and moderation, though notably muted, are not altogether absent from either the United States or India. But unfortunately, there is not too much hope that they will prevail. The reasons are of course complicated, but we do not think it is a misleading oversimplification to sum them up in two propositions: (1) Just as the ruling class of the United States needs the Cold War,* so the ruling class of India needs the border dispute with China. (2) So far as the United States is concerned, the dispute opens up a new and immensely promising Cold War front. Within the framework of this brief editorial, we can attempt no more than a few notes in amplification.

* See "The Theory of U. S. Foreign Policy," *MR*, September, October, November, 1960.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

To see why the Indian ruling class needs the dispute with China, it is necessary to understand what kind of a ruling class it is and what its problems are. Though one often hears the term "feudalism" applied to India, the ruling class is in no sense a feudal aristocracy. The country is, to be sure, still overwhelmingly agricultural, but the part of the rural economy that counts—subsistence farmers are really outside the society altogether and, short of revolt, have no power to influence its functioning—is commercial and for the most part nourishes a petty and middle bourgeoisie. These, along with their urban counterparts, are the followers and supporters of the "power elite" which is made up of the big industrialists like the Tatas and the Birlas, the big merchants, the bankers, and the upper echelons of the state apparatus (including the army) which are deeply steeped in British ideas and habits of thought. The real ruling class, in short, is the big bourgeoisie, thoroughly capitalist in origin and mentality and wholly committed to a capitalist future for India. The "socialism" which is professed by their political instrument, the Congress Party, like many another "socialism" in our period of history, is nothing but a vote-catching cover-up for their massive use of the state power to promote the development of capitalism and thus serve their own private interests.

Unfortunately for the Indian ruling class, capitalism does not and cannot solve the problems of an underdeveloped country under the technological and demographic conditions prevailing in the second half of the 20th century. Even where circumstances are favorable and relatively rapid development is actually achieved, the benefits go almost entirely to the privileged few, while for the masses the gap between what is and what might be grows ever wider and more frustrating.* Circumstances in India are anything but favorable. The land system, with the vast network of vested interests attached to it, blocks the modernization of agriculture, which in turn would be the *conditio sine qua non* of rapid capital accumulation and industrialization.

* Mexico, our nearest neighbor to the south, is a classic example. See the brilliant article, "Mexico: the Janus Faces of 20th-Century Bourgeois Revolution," by Andrew Gunder Frank in the October, 1962, issue of *MR*.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ancient divisions of caste, religion, and language keep the people divided, mutually suspicious, and apathetic. Such progress as has been achieved has barely been enough to keep up with population growth; so far as the overwhelming majority are concerned, there has been no improvement in the past and there is no hope of improvement in the visible future.

All this would not trouble the big bourgeoisie unduly, if only there were a guarantee that the masses would remain apathetic and hopeless. This has after all been the condition of most people throughout history, and ruling classes have always had the fortitude to bear it. But experience from the most varied parts of the globe during the past few decades proves beyond a shadow of doubt that such a guarantee is precisely what no ruling class can take for granted today. And the Indian rulers are daily reminded of this by the fact that India's next-door neighbor, the country most nearly comparable to their own in population and stage of economic development, having only recently overthrown its own ruling class, is in a heroic period of stormy and spectacular development.

True, there have as yet been few signs of restiveness on the part of the Indian masses: the general mood is still one of acceptance of the status quo. But there are more than enough reasons of a temporary and non-recurring sort to account for this. The unifying effect of the long struggle for independence is still potent; Nehru remains a popular hero, far overshadowing other political figures; the Congress Party's skillful propaganda about its "socialist" aims and the extensive planning activity supposedly devoted to their realization have not yet lost their magic; finally, the Chinese, while progressing much faster than the Indians, have been going through hard times, as every underdeveloped country must, and are still not able to present an obviously compelling example to their neighbors. In all these respects, however, changes have either been taking place or cannot long be postponed. Unity against the oppressor is giving way to domestic class struggle; the reign of Nehru, over 70 and in poor health, is obviously drawing to a close; the transformation of Congress from an independence movement to a corrupt, bureaucratic, reactionary instrument of capitalist rule is becoming increasingly obvious (the parallel with the Kuomintang in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

China a generation earlier is painfully exact: why shouldn't history also repeat itself in the sequel?); and finally, the propaganda force of Red China's successes may lag behind their achievement, but lagging is different from non-existing.

In these circumstances, the Indian ruling class was faced with extremely difficult economic and political problems: how to speed up the rate of growth; how to keep the Congress from disintegrating (the big Communist gains in the general election of 1957 raised an ominous warning signal); how to ensure that Nehru's successor would be to the Right of him, not to the Left; more generally, how to keep India from following in China's footsteps on the road to social revolution, the only road which promised a new and better life for the great mass of the Indian people.

It is only as the Indian ruling class's response to a need for solutions to these problems that the border dispute can be understood. More foreign aid would be the means of stepping up the rate of growth. But to get it from the only source that could provide it, India would have to abandon the extremely popular policy of non-alignment and join the Western system of alliances. This could be done only if the people could be persuaded of its absolute necessity. Hence the need for a war crisis. With nationalist feeling once again whipped up, as in the days of the struggle for independence, Congress could expect a new lease on life (the general election of 1962, signalling a gratifying decline in Communist strength, proved the point). Wars and threats of wars always generate a political atmosphere in which the Right flourishes and the Left languishes (the right wing of the Congress is already in control and will probably step forward openly when Nehru goes). Finally, and perhaps most important of all, with Indians and Chinese locked in combat, the Indian people could be stampeded into seeing both China and Communism as their mortal enemies rather than as potential models to learn from and emulate.

This, we believe, is the real meaning of the border dispute, a dispute which India was able to provoke easily and unilaterally, by the simple means of refusing to compromise and instead making demands on China which would be certain to be rejected. In saying this, we are not suggesting that a group of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Indian Big Businessmen and generals got together one fine day and decided that a fight with China was the answer to their problems. Things rarely if ever happen that way. A ruling class always knows, instinctively as it were, the kind of actions and policies that are calculated to promote what it regards as its interests. And the "good" policies are sanctified by all the society's holies—love of freedom (or order or tradition or what not), national honor, religious interest, etc. What is involved is a process of rationalization in the sense that psychiatry uses the term; there usually is more than a trace of rational calculation involved, but there need not be. If the Indian ruling class had felt that a settlement with China was in its interest, it could have reached one with as little fuss and fanfare as Burma and Nepal did. One can imagine the boastful headlines about China's having finally admitted that India had justice on her side in the matter of the McMahon Line, in exchange for which India had given up an absolutely worthless patch of rock and snow. What a bargain! But instead, the banner of India's honor and integrity was raised in a great outburst of publicity and propaganda. The underlying population, as Veblen might have said, swelled with pride and prepared to pay the bill.

But how does it happen that men like Nehru and Krishna Menon—men of good will, socialists at heart, intellectuals who understand much about the historical past and present—how does it happen that they should allow themselves to be the instruments and ultimately the victims of the ambitions and policies of the Indian big bourgeoisie? This is a theme worthy of great literature: here we can only suggest some of the factors involved. Partly, the explanation lies in deeply rooted personality traits. Nehru and Krishna Menon are undoubtedly vain men, lovers of power and fame. At the present time in India, however, these are in the gift of the big bourgeoisie, not of the working class or the poor peasantry. Partly, it is a matter of certain attitudes and habits of thought inherited from the past. Most of India's educated men and women have been profoundly influenced by their British or British-type education; despite their resentment of past British dominance, now that they are the rulers themselves—or in the service of the rulers—they think and act much as the British did before them. Among

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

other things, they share the imperialist attitude toward the "heathen Chinee" and feel themselves entitled to adopt the same posture and play the same role vis-à-vis their neighbors that the British did. But above all, the Nehrus and the Krishna Menons are victims of an illusion, or perhaps it is a self-deception, which has recurred again and again in the course of history. They sincerely want to play a progressive role, and they believe that however bad things are or however unpromising the situation, they can by their own efforts bring about some measure of improvement. "The Congress Party has its weaknesses," they argue, "but let us stay in it and do our best to reform it, to make our own views and goals prevail." In saying this, they fall into a trap from which escape is all but impossible; they become first the prisoners and then the tools of their enemies. And, sad to say, they usually end up rationalizing their position and joining their enemies. It is an old, old story in the West: the history of the socialist movement is full of such betrayals. We should not be surprised to see the same thing happening in India.

So much for the needs of India's ruling class and the means of their satisfaction. When we come to the role of the United States, we can be much briefer. The Cold War is, of course, a war to rid the world of socialism, and China is therefore an arch-enemy. The more troubles China has, the better the United States likes it. But in this case, China's troubles are only part of the harvest. To the U.S. ruling class, neutralism is anathema: the neutralist country is not only not with us, it is half-way to being against us; and as things have been going, it may at any time travel the rest of the way. How much better to have it safely in our camp, complete with military alliances, occupation bases, and all the rest! It only needs to be added that India has been by far the largest and potentially the most influential of the neutralist states. It has therefore long been U.S. policy to coax or entice India out of the neutralist camp and into the Western bloc. That, as a result of the Sino-Indian conflict, India now gives every sign of scurrying in under her own power is a source of gratification such as the U.S. ruling class has not experienced for a long, long time.*

* Until very recently, we were inclined to blame the Chinese for allow-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The purring in the State Department, the Pentagon, and the nation's editorial offices has been as audible as the gnashing of teeth at India's "immoral" neutralism used to be. The prospects now opening up in Asia seem limitless, and all favorable.

And yet, from any longer run point of view, it is a fool's game that the Indian and U.S. ruling classes are now playing. China can, if she has to, stand the strain of a long conflict on the Indian border. India as now constituted certainly cannot. The prospective militarization of the Indian economy will ruin whatever meager prospects of development have existed up to now, and it is ridiculous to suppose that U.S. aid can somehow make good the damage that will thus be done. As conditions deteriorate, the Indian government will inevitably move more or less rapidly to the Right. Political democracy, India's greatest achievement in the eyes of the underdeveloped world, will go by the board. The only alternative is an out-and-out military dictatorship more and more openly dependent on U.S. aid.

We know what such regimes look like, and how their victims fare. They exist, for example, in South Korea and South Vietnam, both of which were dragged by blind ruling classes and Washington cold warriors into disastrous military adventures. The hunger, the suffering, the oppression, the misery, the hopelessness of the unhappy peoples of these unhappy lands, constitute one of the great tragedies of our time. That India, the second most populous country in the world, should now be hurrying down the same road is a fact—and alas, it *is* a fact—almost too horrible to contemplate.

But this is not all. The United States has been able, by pouring out billions of dollars, to maintain some sort of wretched status quo in South Korea and South Vietnam. It is doubtful

---

ing themselves to be provoked into taking actions which must inevitably have this result. A careful study of the record, however, has convinced us that this charge cannot be sustained. There was of course no aggression involved in building the Aksai Chin road, and the Chinese were, as we hope to have demonstrated above, most anxious for an honorable compromise. They even retreated for two years in the face of Indian military pressure, and Indian hostility was thoroughly aroused long *before* the Chinese struck back in self-defense. It takes two to keep the peace, just as it takes two to work out a compromise.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

whether enough billions exist to do the same in India. If our balance of payments is in trouble now, what will the situation be when to all our other unproductive outlays is added the burden of supporting an Indian war against China and at the same time of attempting to keep the Indian economy from collapse and chaos? Is it not clear that the present drift of events contains a mortal threat not only to India but to the United States as well?

Is it hopeless to think in terms of a better policy? Is there absolutely nothing that could be done to put on the brakes and switch the train onto another track before it is too late? Obviously, the United States could not at this late stage of the game attempt to play the role of mediator, and it is unfortunately unlikely that any other country or group of countries could do so either. But there is one approach which seems to be more promising, and we strongly commend it to everyone who is sincerely interested in avoiding the disaster that now looms ahead. This new approach was well described in a letter to the editor of the *New York Times*,* and we are glad to be able to call to witness such a respectable organ of ruling-class opinion. Here are excerpts from the letter which was published under the appropriate heading, "For Himalayan Stability":

> The assumption that the India-China conflict is a territorial dispute is still behind the policy followed by all governments in the region other than India. Neither Pakistan nor Burma nor Nepal has felt at all compelled to line up with India in this particular dispute.
>
> This appraisal does not necessarily underrate the scope of the conflict. But it helps a realization that the conflict is an eruption of an underlying problem of the entire Himalayan region in which not only India and China, but also Pakistan, Kashmir, Nepal, Bhutan, Sikkim, and Nagaland are involved.
>
> To a large extent, the problem has arisen from the policy followed by Indian leaders rooted in their persistent misconception that they are the inheritors of British supremacy in the Himalayan region. Actually, since the withdrawal of British power, the whole political ethos and military geography of South Asia, have been

* December 5, 1962. The signature on the letter is M. Yusuf Buch, a name which is unfortunately not known to us.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

transformed, and this supremacy lapsed. Hence it was not a viable policy that India could reassert over the autonomous peoples scattered all along the Himalayan region. The disregard of this simple truth is responsible as much for the conflict in Kashmir between India and Pakistan as it is for the India-China tangle. It is also responsible for India's troubles with Nepal, for Bhutan's skepticism of India's intentions, and for the Nagas' rebellion against integration with India.

Thus it might be said that the threads left loose in 1947 when the British quit India were never tied up by constructive international statesmanship. There is no cause worthier of that statesmanship nor any more likely to command the support at once of Western diplomacy, of Russian diplomacy and the diplomacy of the nonaligned powers (now minus India) than to repair this neglect and to work for a stable settlement of the entire Himalayan region ranging from Kashmir in the west to Nagaland in the east.

Such a settlement cannot be secured through bilateral negotiations between India and Pakistan and between China and India. An international conference on the pattern of the Geneva Peace Conference on Indochina is the one diplomatic objective which should commend itself to all powers concerned with insuring peace in Asia. . . .

The conference's aims would be:

To secure a final disposition of the State of Jammu and Kashmir in accordance with the wishes of the people of the state;

To secure a final disposition of Nagaland and other tribal areas, again in accordance with the wishes of their people;

To determine finally the status of Bhutan and Sikkim;

To adjust the claims of India and China with regard to the McMahon Line after obtaining the advice of the International Court of Justice regarding its legal validity and after investigation by a competent commission;

To adjust the border between China and the Ladakh region of Jammu and Kashmir State, taking in view the legitimate interests of each party;

To furnish an international guarantee regarding the settlements arrived at on each of the above heads and to conclude a comprehensive treaty for the purpose.

It may be that the treaty would provide for the independence of one or more of the areas involved and also for their demilitarization under a firm guarantee of international support in their defense in case of invasion or encroachment from any side.

The alternative to some diplomatic objective of this nature, it is obvious, is a war of attrition between China and India which

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

will not only ruin India but may also engulf other neighboring nations and peoples.

To this we say "amen" and add the postscript that not only India and neighboring nations and peoples may be ruined but also the United States and quite possibly the whole world.

(December 15, 1962)

PREVIOUS MR ARTICLES ON CHINA AND INDIA

Title	*Vol.*	*No.*
China and Socialism	1	1
Notes on the Chinese Revolution	3	10
The Indian Elections and American Policy	3	12
The Economic Transformation of China	5	1
Land Reform in China	5	3
Letters From a Visitor to China, July 1953	5	7, 8, 9, 10
Britain, China, and the United States	5	7
The Class Structure of India	6	6
China's Economic Progress	6	10
What Every American Should Know About Formosa	6	11
Japan and China	7	2
A New Look at Chinese History	7	10, 11
China's Great Road	8	8
An Interview with Nehru	8	12
"The Passing Phase" in China	9	6
The Revolution in China	9	6
India, China, and Freedom	9	9
Impressions of China's Economic Progress	9	9, 10
The Future of Communism in India	9	12
Chinese Agriculture	10	8
Turning Labor Into Capital	10	8
The Chinese Communes	10	10
China's Communes	10	11
China's Economic Growth	10	11
The Many Faces of China	11	1
Chinese Economy and Economics	11	2
South From China	11	5
India: Shock and Revelation	11	9
The Sino-Soviet Dispute	13	8

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ARGUMENT OF LATIN AMERICA: WORDS FOR THE NORTH AMERICANS

BY CARLOS FUENTES

Last spring, one of the big TV networks arranged a debate between Carlos Fuentes, the well-known young Mexican novelist, and Richard Goodwin, Assistant Secretary of State for Latin American affairs. The U.S. Embassy in Mexico, however, refused a visa to Señor Fuentes and the debate never took place. An effort was then made to place Señor Fuentes' prepared text before the American public via one of the mass-circulation magazines. None was interested. After you have read the text below, you will understand why both the State Department and the mass media are so anxious to keep the views of a leading Latin American intellectual from the American public. As the son of a Mexican diplomat, Carlos Fuentes went to school in Washington, D.C., and is as much at home in the English as in the Spanish language.—The Editors

South of your border, my North American friends, lies a continent in revolutionary ferment—a continent that possesses immense wealth and nevertheless lives in a misery and a desolation you have never known and barely imagine. Two hundred million persons live in Latin America. One hundred and forty million of them work virtually as serfs. Seventy million are outside the monetary economy. One hundred million are illiterate. One hundred million suffer from endemic diseases. One hundred and forty million are poorly fed.

Today, these miserable masses have decided to put an end to this situation. Latin America, for centuries nothing more than an object of historical exploitation, has decided to change —into a subject of historical action.

You will ask yourselves: what has caused this Latin American backwardness? Why, if we won political independence more or less at the same time, are North Americans prosperous, free, democratic—and Latin Americans poor, subjugated, unable to govern themselves? You will sigh with relief: now, everything is going to change, thanks to American generosity. The Alliance for Progress will solve all the problems afflicting Latin America. Thanks to those $20 billion, Latin Americans will forget the spectre of revolution so stained with blood and destruc-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tive of democracy and human rights, will manage to develop peacefully and, in a short time, will set up democratic societies, twins of the United States.

You are much given to good wishes, to what you call "wishful thinking." You have always believed that what is valid for you is valid for all men in all nations and at all times. You forget the existence of specific historical factors. You fail to realize that in reality there are two worlds, one of rich countries and one of poor countries. You fail to recognize that, of necessity, the poor countries require solutions different from yours. You have had four centuries of uninterrupted development within the capitalistic structure. We have had four centuries of underdevelopment within a feudal structure.

A Feudal Castle with a Capitalistic Facade

You must understand this key word: *structure*. You had your own origin in the capitalistic revolution, liberal and Protestant. You were born without an anachronistic link. You founded a society that, from its first moment, was identified with the historical reason of the times. You created an economy directed towards the creation of wealth in the social vacuum of Anglo-Saxon America. You did not have to fight against and assimilate the resistance of local cultures. You started from zero, a virgin society, totally equal to modern times, without any feudal ballast. On the contrary, we were founded as an appendix of the falling feudal order of the Middle Ages; we inherited its obsolete structures, absorbed its vices, and converted them into institutions on the outer rim of the revolution in the modern world. If you come from the Reformation, we come from the Counter-Reformation: slavery to work, to religious dogmatism, to *latifundio* (enormous expanses of land under the same landlord), denial of political, economic, or cultural rights for the masses, a customs house closed to modern ideas. Instead of creating our own wealth, we exported it to the Spanish and Portuguese metropolis. When we obtained political independence, we did not obtain economic independence; the structure did not change.

You must understand that the Latin American drama stems from the persistence of those feudal structures over four

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

centuries of misery and stagnation, while you were in the midst of the industrial revolution and were exercising a liberal democracy. You must understand that the only solution for Latin Americans will be to destroy all those structures at once.

But you ask yourselves: is a revolution necessary? Why not abolish those structures through evolution? The answer is simple: because the formulas of free-enterprise capitalism have already had their historical opportunity in Latin America and have proved unable to abolish feudalism.

During the nineteenth century, economic liberalism—laissez faire—was superimposed on the feudal structure in Latin America. Side by side with the landlord class of the colonial period, a new class of entrepreneurs sprang up to deal in the business of exploitation. Those capitalists turned us into single-product countries, exporters of raw materials to the occidental marketplace. The utopia of these entrepreneurs was the following: because of the international division of labor, it was appropriate for some regions to produce raw materials and for others to refine them; such an exchange would produce welfare for everyone. Now we know this is not true; now we know that, in the long run, the price of manufactured goods will always be higher than that of raw materials. Now we know that in a depression of the central economy, those who suffer most are the satellite economies, the producers of raw materials. Between 1929 and 1938, Latin American exports decreased by 70 percent. In that time, hunger *did* exist in Cuba: 50 percent of her labor force was unemployed, the national banks failed, the sugar lands were bought at bargain prices by Americans. The myth collapsed. If economies were complementary, as the classical theory states, our standard of living should be equal to yours.

In order to overcome the effects of economic liberalism, many Latin American countries entered another phase after 1930: protectionist capitalism, with the aim of encouraging the internal industrialization of Latin America and making it less dependent on the export of raw materials. But this naive and liberal capitalism was also superimposed on the feudal structure without destroying it. It abandoned to their fate the great masses of peasants and workers, and reserved progress for an urban minority. It ended by crystallizing a dual society in Latin

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

America: the modern capitalistic society of cities and the feudal society of the countryside. The minority society became richer at every turn, face-to-face with a majority society becoming more miserable at every turn. In the last few years, the abyss between the two has done nothing but grow. This is why capitalism has not succeeded in solving the problems of Latin America. It has been unable to destroy the legacy of feudalism. It has been unable to promote true collective development in Latin America.

This is what Latin America is: a collapsed feudal castle with a cardboard capitalistic facade.

This is the panorama of the historical failure of capitalism in Latin America:

Continuous monoproductive dependence. In Brazil, coffee constitutes 74 percent of the exports; tin in Bolivia, 60 percent; copper in Chile, 63 percent; bananas in Costa Rica, 60 percent; coffee in Colombia, 82 percent; bananas in Honduras, 75 percent; coffee in Haiti, 63 percent; oil in Venezuela, 95 percent; coffee in Nicaragua, 51 percent; sugar in the Dominican Republic, 60 percent.

A continuous system of "latifundio." In Chile and Brazil, 2 percent of the population owns 50 percent of the workable land. In Venezuela, 3 percent of the population owns 90 percent of the land. In general, in Latin America, with the exception of Mexico and Cuba, 5 percent of the population owns half of the land. More than half of all Latin Americans are peasants who work under conditions close to slavery. However, only 24 percent of the land in Latin America can be cultivated. Of this percentage, enormous expanses are out of active production, either to maintain the earnings of the owners or through pure irrationality. Most Latin American countries must import a good part of their food; only Uruguay and Argentina are relatively self-sufficient. The productivity of agriculture is extremely low in relation to the manpower employed. And international prices of the agricultural products fluctuate and are constantly declining.

Continuous underdevelopment. The present systems are unable to increase production and use natural resources in the rhythm required by our increase in population. As a result, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

average annual increase in production per inhabitant in Latin America which in 1955 was 2.2 percent, declined in 1959 to 1 percent, and in 1960 to 0.0 percent. In other words, at present, in its double feudal-capitalistic system, Latin America *does not progress.*

Continuous political stagnation. The continued existence of the feudal structure forbids the masses access to education and assures the concentration of political power in the hands of a fistful of landlords and city capitalists. Latin American armies financed and equipped by the United States, support this system, as we have just seen in Argentina, Ecuador, and Guatemala.

Continous general injustices. At present, 4 percent of the Latin American population receives 50 percent of the combined national incomes. The higher classes have hoarded more than 14 billion dollars in foreign banks. A great percentage of their local investments are unproductive ones: fixed-income securities, real estate, luxury goods.

Continuous dependence on foreign capital. At present, a good part of the Latin American economy is not serving its own development, but is nothing more than an extension of foreign economies, particularly that of the United States. Iron and oil in Venezuela, copper in Chile, Peruvian minerals, do not remain in those countries to promote economic development: they are a possession of the American economy and benefit only that economy. But since this is a topic very closely related to you, we will talk about it later.

The key question is this: How can the causes of underdevelopment in Latin America be chopped away? There is no room for doubt in the answer: stabilization of prices of raw materials in the short run, and economic diversification—industrialization—in the long run. But you want it to be done through peaceful evolution and the Alliance for Progress. And we think: through revolution. Let us examine both solutions.

The Alliance for Progress

The only structural reform foreseen in the Alliance for Progress is agrarian reform. Now, please consider that in Latin America the base of political power is the landlords. Do you sincerely believe that a leading class whose roots are in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ownership of land is going to let go of its reason for being? Agrarian feudalism is the basis of the wealth and political dominion of the governing classes in Central America, Chile, Peru, Argentina, Brazil, Venezuela, Colombia, Ecuador; do you believe these classes are going to commit suicide voluntarily? A Peruvian oligarch recently told me: "If the gringos force us to divide the land, we will answer by expropriating their mining companies." No, my American friends: an agrarian reform in Latin America, as demonstrated by Mexico and Cuba, is only made through revolution, with weapons in hand. This is what the sharecroppers of Peru, the peasants of northeastern Brazil, the pariahs of Chile, Ecuador, and Colombia are beginning to do. They are not allowing themselves to be cheated by "false" agrarian reforms: the distribution of sterile lands, without credit, without machinery, without schools or hospitals. Those governing classes can deceive you, but they are not going to swindle the peasant masses or stifle their revolutionary impetus.

The Alliance is going to be used by governments that do not truly represent their people, by governments representing the old feudal order whose only interest is to keep its privileges. Look where your dollars are going to go: as in South Vietnam, as in South Korea, as in Iran and Spain—to the bank accounts of a handful of people, to the importation of luxurious automobiles, to the construction of apartment houses.

The Alliance does not even mention one of the basic factors of backwardness in Latin America: the economic deformation imposed by foreign domination of our economies. Ah, you jump at this point. You refuse to admit this. You have helped the development (what development?) of Latin America. You unselfishly give us dollars and technical aid.

We have already spoken about the domination of natural resources: iron ore, copper, tin, coal, lead, zinc, oil. These resources, in your hands, enter your economy: they are not employed in the internal development of our countries. The Alliance does not even speak of that. It does not foresee that the iron and oil of Venezuela may contribute to creation of heavy industry there, that the copper of Chile or the lead of Peru may be motors of national industrialization. At any rate, our in-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dustrialization must be light, for transformation, but nothing more.

You are also proprietors of Latin American foreign trade. Sixty percent of our foreign trade is with you, in accordance with the prices you set. American companies manage 75 percent of our commercial movement. You impose the conditions and the prices. Last year, the Alliance gave 150 million dollars to Colombia; but in that same year, Colombia lost 450 million dollars because of the decrease in coffee prices.

Ask the great cotton concerns how much they pay for a bale of Mexican cotton, at what price they resell it to the English monopoly in Hong Kong, and how much they charge the Communist government of China, which you detest, for it. The Anderson Clayton in this operation makes five times the amount that the Mexican grower does. And ask the Department of State why it forbids Mexico to sell its excess oranges to Czechoslovakia in exchange for machinery we need, machinery you either do not sell us or sell us for too high a price; ask the Department why the whole crop went rotten on the docks of Tampico while you traded happily with Communist countries and allowed Adenauer's Germany to be the principal Western market of that very same Czechoslovakia.

Investments? Yes, you have invested 10 billion dollars in Latin America. It is a curious thing: we have always received your investments, and we are still poor. You speak about *your* property in Latin America and call us thieves when we expropriate it. But why don't you ask your investors? Ask them how much they invest and how much they take back to the United States in profits. Do you want to know? Between 1950 and 1955, you invested 2 billion dollars, made three and a half billion, and took back to the States one and a half billion. In a single year, 1959, you made 775 million, only reinvested 200 million and sent 575 million back to the United States. In the last 7 years, Latin America lost, because of these shipments of money, $2,679,000,000. You take out too much, leave too little, and even this little is distributed unfairly: where is the real benefit for our economies? Is it just that these profits do nothing, not a single thing, to alleviate the horrible misery, ignorance, and illness of the great majority of the Latin Americans

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

who, with their slavery, made them possible? You, as Americans, tell me if that is just.

And tell me also whether you have not recovered more than your investments, whether it is not right that this squandered wealth should be recovered and directed towards improving the lot of everyone, because it was created by the work of everyone though today it benefits only a dozen corporations.

Finally, in its year of life, the Alliance for Progress has been accompanied by acts of political aggression that prostitute it completely. These acts are the Cuban invasion in April, 1961, and the violation of the inter-American law in Punta del Este in January, 1962.

Playa Giron and Punta del Este

American responsibility in the invasion of the Bay of Pigs is not debatable: President Kennedy assumed it completely, with full knowledge that in this way he was violating not only inter-American treaties but the internal laws of the United States itself: the Neutrality Act and the U.S. Code. You pride yourselves on living in a State of Law. Why did you allow your government to violate it? Don't you count on representatives of the people to defend it? Is there not a process to call to account —impeach—the president who violates it? Why do you permit an apparently irrational act by your government, your CIA and a band of mercenaries recruited from the assassins and sadists of the Batista government? Or do you agree with your government in considering the law a dead letter when faced by political necessities? In this case you yourselves are justifying Goldwater, the John Birch Society, and all the fascist forces that, beginning with McCarthy, have been growing in the United States of America.

You killed women and children in Playa Giron. You bombed the first decent houses, the first schools, the first hospitals of Cubans who never before, during the long American protectorate over Cuba, had a roof, an alphabet, or their health. And you did it in the name of liberty, democracy, and free enterprise. What do you want us to think of these nice-sounding words when in their names a population is murdered and the first proofs of concrete welfare are destroyed? We think the same

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as Simon Bolivar did 150 years ago: "The U.S.A. seems destined by Providence to plague us with all kinds of evils in the name of liberty."

In Punta del Este, the second agressive act in the name of the Alliance took place. Maybe for you the standards of inter-American law are not important, but for us they are the result of a long struggle. It took us a whole century to win these standards. We won them with the invasion of Mexico and the annexation of half our territory, with the mutilation of Colombia, with the Platt Amendment, with the murder of Madero, with the occupation of Veracruz and the punitive Pershing expedition, with the interventions in Haiti, Nicaragua, and Santo Domingo, with the death of Sandino, with the campaign and the pressure against the Mexican Revolution, with the violation of Guatemala. It cost us a great deal of blood to set these standards: self-determination, non-intervention, respect for territorial integrity, equal rights for natives and foreigners, peaceful solutions of controversies, the right of each American state to organize as it thinks best. In Punta del Este, all these standards were violated by your government. A century of judicial construction collapsed. It does not matter, said Secretary Rusk: "It is not the role of foreign ministers to discuss judicial matters, but to make decisions in the field of politics." The OAS ceased to be a legal organization because it was converted, now without any disguise, into a political weapon of the United States of America.

And the Alliance for Progress looked like the soft loincloth of naked intervention in favor of the concrete political and economic interest of the United States in Latin America.

Revolution, Yes

For years, many Latin Americans put faith in a gradual change of American policies towards Latin America; they also put their faith in the ability of the inter-American organization to support the minimum principles of our sovereignty. It is necessary to thank President Kennedy who, in only a year, has destroyed those illusions. The New Frontier turned out to be identical to the Republican Old Guard. Today, Latin Americans know they must no longer trust in the possibility of a change in the American government or in the OAS: they

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

must trust only in themselves, in their capacity to destroy, by themselves, the old feudal structure and replace it with a radically new society, from which they can build for themselves.

Revolution? Yes, because as Mexico and Cuba have demonstrated, only revolution, not aspirins or good wishes, can destroy feudalism.

Revolution? Yes, because as Mexico and Cuba have demonstrated, only armed revolution can destroy forever the armies of caste, protectors of the old order. Or do you believe that the army which has just annulled the will of the people and deposed the constitutional president in Argentina is going to disappear voluntarily from the political scene? Do you think it just that this Argentine army, with more officers than the American army, is devouring 50 percent of the national budget? And do you think it just, as taxpayers, that your money should go to equip these caste armies? With your money, these armies prepare revolts, murder workers, torture students, and void elections.

Revolution? Yes, because as Mexico and Cuba have demonstrated, only revolution can produce the structural changes necessary to modernize our countries, get our stagnant resources moving, resources that were sold and squandered, realize agrarian reform, create an internal market, diversify production, promote popular education, and push industrialization.

Revolution! You cry to heaven, wring your hands, weep before violence and bloodletting. Yes. Unfortunately, it has never been possible to persuade the leading classes of a feudal country that their last hour has come. The Count of Arana, in the eighteenth century, could not persuade them, and President Kennedy, in the twentieth, cannot either. Porfirio Diaz and Fulgencio Batista were convinced only at gunpoint. This is the only way the Peruvian landlords, the Argentine militarists, and the Colombian landlords are going to be convinced. Blood? Yes, historical backwardness is paid for in blood. Injustice is paid for in blood. Remember Jefferson. From Spartacus to Fidel Castro, going through the Protestant, English, French, American, Mexican, and Russian Revolutions, revolutions have been accomplished by violence. Mickey Mouse does not make revolu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tions. They are made by hungry men, valiant, angry, desperate men.

But you complain: what about democracy and liberty? Why, instead of bringing representative democracy, human rights, elections and a free press, do Latin American revolutions impose a leftist dictatorship in the place of a deposed rightist dictatorship? Why do they impose a single party, start a wave of political emigrants, suppress freedom of the press and elections? Why do they invite the protection of extra-continental powers?

Ah, this is what is worrying you. This is what you do not understand. You should start remembering. You have a very bad memory. You would do well to remember your own revolution in the eighteenth century. You also had your traitors, your deserters, and your execution walls. Like all revolutions, yours begot a counter-revolution. In those times, you had 3,500,000 inhabitants; 70,000 fled the United States to find shelter in Canada. You expropriated the belongings and lands of exiled people without paying them anything. You suppressed the pro-British press. You won the revolution with the help of a foreign power, France. Without Rochambeau's French troops and De Grasse's fleet, you could not have defeated the British. You suffered shameful press campaigns, were labeled "bandits and savages" by the royal European press. You used "exotic doctrines"—those of the French encyclopedists—to form a republican government, a heresy against the status quo imposed and defended by the Holy Alliance. You were the devils, the heretics, the non-conformists of the eighteenth century. You had to resist the counter-revolutionary invasion of 1812, your own Playa Giron, with Andrew Jackson's improvised militia. But you, during the colonial period, had already practiced representative democracy. You did not live under feudalism; you were already Protestants and capitalists; you were not struggling along as an exploited, illiterate hungry mass of people.

In our day, a true revolution in Latin America is equivalent to a war of independence. It means starting from the bottom and creating conditions that, at least, will permit the exercise of democracy. A democracy cannot exist, you know,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with empty stomachs, empty minds, and empty shacks. Democracy is not a cause; it is a result.

Sacrificing democracy through revolution? Not if there has never been democracy in Latin America. It has been democracy solely of paper and rhetoric. Sacrificing elections? Not if elections in Latin America have been only a ceremony and a fraud. Sacrificing human rights? Which ones? Those of men who do not eat, do not read, do not write, who live in humiliation and terror? Sacrificing freedom of the press? Not if there is no such thing in Latin America; there is an anti-national corrupt press at the service of the interests of feudalism and the most powerful foreign nation at hand.

No, the problem is different. The revolution would bring to power the popular majority that for centuries has had neither voice nor votes. In the eyes of this majority, the corrupt press, fraudulent elections, submission to foreigners, freedom of enterprise and the human rights of the minority that oppressed the majority are synonyms of those centuries of exploitation, of negation, of not being. This is not what the people are interested in. They are interested in *concrete* democracy: the starting point of their real aspirations. They are interested in destroying the old structure of exploitations; they are interested in creating their own new structures, national, popular, with collective benefits, in the knowledge that many mistakes will be committed and many failures endured, but with the hope that this time they will be working for themselves and for their future and not for a bunch of feudal landlords and foreign enterprises. Of course, this transformation demands great sacrifices and is not easy to bring about: four centuries of insanity weigh against it. But there is no other way. The only available alternative is to bear, forever, the old injustice.

Can't you understand this? Why do you seem so hysterical, so jealous, so angry when a revolution puts into action the liberated energies of the people, and why so indifferent, so calm, so thoughtful when these same people are exploited, tyrannized, and debased by a feudal oligarchy? Why did you not start press campaigns against Somoza, why did you not invade Venezuela while Perez Jimenez was in power, why did you support Trujillo for 30 years, why have you not declared your-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

selves against Stroessner? What do you want us to think when you have supported and still support regimes of corruption and crime, but fling yourselves against regimes of honesty and work: against Cuba?

However, it no longer matters what you do or do not do. We already know the path. Open your eyes. Today it is Cuba. Tomorrow. . . . Keep your eyes open. The armies of privilege will be defeated. The old structures will collapse. Land, mines, businesses will be recovered. They will work for the benefit of everyone. There will be difficulties of conversion and organization. But in the long run the economy will be diversified, idle land will be cultivated, illiteracy will be eradicated, the liberated farmer's consumption of goods will increase, national resources will be used for national industrialization, culture will also belong to workers and farmers, and decent houses, hospitals, highways, and schools will be built.

Is this a dream? No, it is not. This is our challenge. Feudalism and superimposed capitalism have failed, in four centuries, to achieve any of this. You said that nationalization of oil was a daydream in Mexico; that within a year the foreign companies would be back because Mexicans were unable to manage such a complex industry. You were right: we *were* unable to do it, we had many difficult moments, just as difficult as those Cuba is now having. But with time, as is happening with Cuba, we created our technicians, our specialized workers, and we succeeded, we surpassed the old companies in efficiency and now we use our oil for our own benefit, rationally. We will not forget this experience: where the Latin American man becomes owner of his land, his industry, his work, he pulls himself out of the ineptitude of past centuries and shows what he can do. This is going to happen, don't you doubt it, in the next few years in Latin America. Nobody learns to swim without diving into the water.

Revolution, yes! ! Don't be deceived, Americans. Open your eyes. Ask the Peruvian farmer who chews coca and eats rats if he wants fake elections or revolutions. Ask the Chilean miner who crawls through the tunnels of Lota if he believes in free enterprise or in revolution. Ask the northeast Brazilian farmer if he wants capitalism or revolution. Ask the student

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

castrated by the Paraguayan dictator if he wants Stroessner's free press or revolution. Ask the Guatemalan farmer "freed" by Castillo Armas if he wants Alliance for Progress or revolution. Ask the Latin Americans who corrupts the press and the unions, who supports the armies and the oligarchies, who pays miserable salaries, who owns the mines and the oil wells. Ask them who gets the Alliance for Progress money, and ask what they use it for. Ask them if we believe in the free world of Franco, Salazar, Chiang-Kai-shek and Ngo Dinh Diem. Ask them and they will tell you why people spat on Nixon.

Ask the men living in "misery village" in Buenos Aires, in the "favela" of Rio, in the "cayampa population" of Santiago, if they are afraid of Communism. These beggars, these pariahs, will answer that they are afraid only of their present oppressors, of those who exploit them in the name of capitalism and representative democracy, and that they prefer anything that might mean a change.

Ask these men if they are against Cuba, if they believe the lies they read in the "free press" of our countries, if they do not know that the old American colony of the Caribbean is our hope because there the caste army, the *latifundio,* the administrative corruption, the official cheating are over and everybody works together, with weapons ready, Americans, with weapons ready to defend the Revolution; tell Ydigoras or Somoza to arm their people with the weapons you give them—and then to move forward together despite aggression and boycott.

Ask these men if they are afraid of help from the Soviet Union. Ask them if there is a single Soviet company in Cuba that exploits the Cuban economy for its own gain.

Do you see, Americans? The world has changed. Latin America is no longer your preserve. The world moves ahead. And you are standing on the rim. Are you going to help these inevitable revolutions or are you going to antagonize them with invasions, press campaigns, and economic aggressions? It does not matter. Revolutions are going to progress. The world has changed. You will not be able to put out all the fires in Latin America, Africa, and Asia.

But try to understand. Try to understand that a revolu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion in Latin America can affect only a handful of Yankee enterprises, but never the concrete welfare you enjoy. Try to understand that our real development, which can be achieved only through revolution, far from hurting you will help you. Do not let yourselves be fooled by this handful of enterprises and investors. Try to understand that the sooner we start our basic development, which can come only through revolution, the more buyers you will have, and we will all be closer to a planned world economy, rational and interdependent.

What We Want

Understand this: Latin America is not going to be your back yard any more. We are going to enter the world. What kind of world?

Apparently, a world characterized by the political polarization of two power centers: the United States and the Soviet Union, facing one another from unchangeable positions—but both limited by the knowledge that a "hot war" will end not with victor and vanquished but with the total destruction of the human race.

But behind this obvious factor there is now another one: the upsurge of the underdeveloped countries and the possibility that they may dissolve this polarization, diversify and rationalize the international political positions, and confront the world with the primary job of peace—to cooperate in the economic and social development of those underdeveloped countries. The Soviet Union, as much as it can, is already doing so. And you? The first measure of cooperation is to know how to respect the revolutionary change that is taking place in those countries.

And there is a third factor, of truly universal perspective: over and above the visible conflicts of our world, there is emerging the development of modern science and the opportunity it offers to all men, without any distinction of political ideology, religious belief, sex, or race, to achieve a truly human life, free from illness, ignorance, and hunger and full of promise for personal and collective creation. Please, try to see beyond the intellectual provincialism of the cold war. Try to see where we want to arrive, we men of the underdeveloped world, hungry, revolutionary. We do not want the destruction of the American

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

people, which we love for the expressions of its great people, its great political names—Lincoln, Franklin Roosevelt—and artistic names—Poe, Melville, Faulkner, Marian Anderson, O'Neill, Miller. We do not want atomic hatred, or a permanent cold war, but a world of peace in which we may grow without anachronistic deformations, without irrational exploitations. We want a world in which everyone coexists, not in mutual tolerance but in mutual respect and friendship.

We are different from you. Our problems are not your problems. We have to make decisions and walk on roads different from those you believe to be universally valid. Do not be provincial. Try to understand the diversity of the world. Try to understand we want progress that is real, not the unjust lie of today. We want *to be*. We want to live with you as loyal friends, not as sick, poorly fed, ignorant slaves. We want a rational organization of development in which science can, at least, distribute its fruits universally. We want to arrive at a peaceful synthesis of oppositions that are not, nor can ever be, eternal, any more than those of Greeks and Romans, Roman and barbarians, Guelphs and Ghibellines, Catholics and Protestants, monarchists and republicans, were. We want to be free of slavery, and we want to save you from a destiny worse than that of the slave: that of the lord, of the master.

Latin America knows its own path. Nobody, my American friends, is going to stop those 200 million people.

One cannot place on the same level the hunger felt by a people at the hour of four o'clock tea and the hunger felt by another people all through their life. Very often the comfort of the former is an excess of refinement while for others comfort is but the possession of the most basic needs.

If we wish to avoid seeing the misery of the world smothered by the opulence of some nations, let us courageously look at the world as a whole—the satisfaction of some should not hide the dissatisfaction of others. Let us draw up a balance sheet of the inadequacies, the defects, the needs, the possibilities and the means of the world.

Is it not time to think of a new world architecture and to abandon the old and shaky building in which the few privileged peoples lived?

—Sekou Toure, President of the Republic of Guinea, to the U.N. General Assembly

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MR PRESS BOOKS

	List Price	Price with Sub
REPORT TO THE STOCKHOLDERS by John Beecher	$3.00	$7.50
THE UNITED STATES, CUBA, AND CASTRO by William A. Williams	3.25	8.00
THE SECOND REVOLUTION IN CUBA by J. P. Morray	3.25	8.00
CUBA—ANATOMY OF A REVOLUTION by Huberman and Sweezy	3.50	8.00
GUERRILLA WARFARE by Che Guevara	3.50	8.00
CROSSING THE LINE by Claud Cockburn	3.50	8.00
AN ESSAY ON ECONOMIC GROWTH AND PLANNING by Maurice Dobb	3.50	8.00
WELLINGTON ROAD by Margaret Lassell	3.75	8.50
VIEW FROM THE WEST by Claud Cockburn	3.75	8.50
BURNING CONSCIENCE by Claude Eatherly and Gunther Anders	4.00	8.50
THE ALIENATION OF MODERN MAN by Fritz Pappenheim	4.00	8.50
PRIDE OF STATE by J. P. Morray	4.00	8.50
TIDE WITHOUT TURNING by John Gill	4.50	9.00
THE EMPIRE OF OIL by Harvey O'Connor	5.00	9.00
THE WALL BETWEEN by Anne Braden	5.00	9.00
THE POLITICAL ECONOMY OF GROWTH by Paul A. Baran	5.00	9.00
NORTH FROM MEXICO by Carey McWilliams	5.00	9.00

(continued on next page)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MR PRESS BOOKS *(continued)*

	List Price	Price with Sub
THE THEORY OF CAPITALIST DEVELOPMENT by Paul M. Sweezy	6.00	10.00
THE RAGGED TROUSERED PHILANTHROPISTS by Robert Tressell	6.00	10.00
THE GREAT ROAD by Agnes Smedley	6.75	10.50
EDUCATION AND THE WORKING CLASS by Jackson and Marsden	6.75	10.50
CASTE, CLASS & RACE by Oliver C. Cox	7.50	11.00
WORLD CRISIS IN OIL by Harvey O'Connor	7.50	11.00
THE PEN AND THE SWORD by Michael Foot	7.50	11.00
FROM YALTA TO DISARMAMENT by J. P. Morray	8.50	12.00

MR PRESS PAPERBACKS

CAPITALISM YESTERDAY AND TODAY
by Maurice Dobb (flexible cloth binding) $1.00

THE ALIENATION OF MODERN MAN
by Fritz Pappenheim 1.25

AMERICAN RADICALS: SOME PROBLEMS AND PERSONALITIES
Harvey Goldberg, editor 1.25

AMERICAN LABOR IN MIDPASSAGE
Bert Cochran, editor 1.25

MAN'S WORLDLY GOODS
by Leo Huberman 1.75

CUBA: ANATOMY OF A REVOLUTION
by Leo Huberman and Paul M. Sweezy 1.75

THE PRESENT AS HISTORY
by Paul M. Sweezy (flexible cloth binding) 2.95

PAPERBACK SPECIAL
All the above books 9.00

Monthly Review Press 333 Sixth Avenue New York 14, N. Y.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MARXISM AND MATHEMATICAL ECONOMICS

BY LEIF JOHANSEN

A widely used quotation from J. Willard Gibbs says that "mathematics is a language." This quotation also appears on the title page of Professor Paul A. Samuelson's book *Foundations of Economic Analysis,* which is itself one of the cornerstones of mathematical economics in the United States.

This characterization of mathematics, suitably interpreted, may contain a basic truth. In its most direct or naive interpretation, however, I think it implies an underrating of what mathematics is and what it can do.

The Functions of Mathematics

We could distinguish between four functions which mathematics fulfills, although the distinctions are by no means sharp:

(1) It may give precision and rigor to arguments or theories and save space in presentation, without in itself bringing forth anything really new. This we might call the primitive "language" function of mathematics.

(2) It serves to draw conclusions from premises in cases where no other means would in practice be able to do the job. We might call this the "inference" function of mathematics. It is often said that mathematics can do no more than draw conclusions which are already implied in the premises. This is right, but it does not mean that we could dispense with mathematics. The point is that we often encounter problems in which it would be far too difficult for the human brain to see—not to speak about proving—what the premises imply without the use of mathematics.

(3) It is of particular importance for economics that mathematics can be used to find efficient ways of exploiting statistical

---

Leif Johansen is Associate Professor of Economics at the University of Oslo. He is a Marxist and at the same time is generally recognized as one of the most brilliant of Europe's younger econometricians.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

information for the purpose of quantifying relationships, testing hypotheses, etc. Because economics is not an experimental science, it has to work with statistical materials which reflect simultaneously many different inter-relationships. Hence the statistical problems are often more complicated than in other sciences.

(4) In recent years mathematics has become increasingly important for deriving methods of solving a very wide variety of problems through the use of large-scale electronic computers. The exploitation of such modern computational equipment is one of the most significant new lines of development of economics.

Many people have commented on the application of mathematics to economic problems by saying that the world and the society which surround us are so complicated that they cannot be fitted into "inflexible mathematical formulas." In this there are or can be at least two misunderstandings. First, the fact that the world is complicated is an argument *for*, not against, the use of mathematics (cf. what is said about the "inference" function above). Second, I think the argument is often based on a misunderstanding of what mathematics can "take into account" or what sort of concepts it can use. For example: mathematics can cope in fully satisfactory ways with concepts which are not quantitatively measurable—cases in which we can talk about "greater than," "equal to," and "smaller than," but not about "twice as great as," "ten times as great as," and so forth; there are branches of mathematics which treat wholly qualitative relationships; mathematics can cope with random variations or probabilities; it can calculate with inequalities and not only with equations; it can treat stable and unstable systems, "equilibrium" and "disequilibrium" in different senses; finally, the treatment of the simultaneous operation of different or counteracting tendencies is often at the very center of applications of mathematics.

Marx and Mathematics

The above considerations should be fairly obvious and noncontroversial. In particular, there is nothing in the basic prin-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ciples of Marxism which should cause any one to refrain from attempts to apply mathematics in social sciences.

Marx himself was well aquainted with mathematics, compared with most economists of his time. He saw the potential usefulness of mathematics in economic analysis, and even considered the application or non-application of mathematics to be a criterion of the precision and exactness of a branch of science. He himself applied some modest pieces of mathematical reasoning in *Capital,* and probably also made some unpublished attempts at more advanced applications. For instance, in a letter to Engels on his research into trade-cycle problems he wrote: "I have attempted several times—in analyzing the crises—to calculate these ups and downs as non-regular (unregelmässige) curves, and thought (and I still believe it is possible with sufficiently scrutinized material) one could by that determine mathematically the main laws of the crises."

Engels was also interested in mathematics and often used mathematical examples to illustrate the laws of dialectics.

In spite of all this, it is well known that Marxists have—at least until recently—generally shown a rather negative attitude towards the application of mathematics in economics. This needs explanation.

One reason is that mathematics, in spite of its usefulness for well-defined, limited problems, is not very helpful in answering the basic problems of *political* economy as such, which has always been the main concern of Marxian economics. However, this is not a reason for not applying mathematical methods to the more limited problems where it can be fruitfully applied; it is only a reason for letting mathematical analysis *supplement*, and not *replace*, the basic methods of political economy.

A more primitive reason for a negative attitude to mathematical economics may of course be that Marxists in the fields of social sciences have known too little about the subject. But this is certainly not a basic reason. It can only have made it easier for other factors to work. Let us therefore consider some of these other factors.

Apologetic Uses of Mathematics

One important fact is that mathematics was first used in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

an advanced way by bourgeois economists with apologetic aims. This may be partly an historical accident, but it is certainly not completely a matter of chance. I shall return to some considerations relevant to this question.

Now of course mathematics as such cannot be blamed for the apologetic conclusions drawn by the economists who have used it. But I think Marxists far too often have not been sufficiently careful in pointing out exactly where or how apology has entered. While refuting the conclusions, they have also thrown out mathematics as a tool.

The same applies, in my opinion, to many concepts and elements of theory in special fields which are introduced by non-Marxist mathematical economists and used by them for apologetic purposes.

Let me illustrate these points by means of a couple of examples.

The Marxist labor theory of value has been the object of attacks particularly from the point of view of "marginal utility theory" or "subjective theory of value," which has been a main component of non-Marxist mathematical economics. Marxists have usually rejected this whole theory and all concepts and mathematical arguments introduced in connection with it, as if acceptance of it, or elements of it, would necessarily imply a rejection of the labor theory of value. However, this is not so. For goods which can be reproduced on any scale (i.e. such goods as have been the center of interest of Marxian value theory) it is very easy to demonstrate that a complete model still leaves prices determined by the labor theory of value even if one accepts the marginal utility theory of consumers' behavior. In my opinion, such a combination may give a very precise meaning to the Marxian thesis that the value of a product is determined by its labor content, *provided it has a use value*.

Thus neither marginal utility and related concepts, nor the mathematics applied to define these concepts, can logically serve to refute the labor theory of value as long as one holds to the assumptions about the production structure contained in the Marxian theory. Only by smuggling in other assumptions

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

at this point, or by obscuring the production side of the economy, could one refute the labor theory of value.

Similar considerations apply also to marginal productivity theories. Many apologetic theories have been presented in terms of marginal productivity concepts. This is most evident in cases where there have been introduced all sorts of "factors of production" which cannot be technically identified and measured, in order that different elements of profits could be ascribed to these "factors" as rewards apportioned according to their marginal (value) productivities. Likewise, any attempt to prove that remuneration for work in accordance with marginal productivity is objectively just or equitable and that exploitation only occurs when wages are below marginal productivity, is either based on false logic or simply reflects personal judgment about how concepts like "just wages" and "exploitation" ought to be defined.

Instead of pointing this out, Marxists have too often rejected the whole concept of the production function and marginal productivity as if acceptance of the usefulness of such concepts would necessarily imply acceptance of the apologetic conclusions which have traditionally been associated with them.

These considerations are not intended to imply that Marxists should immediately accept marginal utility and productivity theories as they are now usually formulated in non-Marxist mathematical economics. But they do suggest that Marxists have too often rejected such theories in a superficial way and for wrong reasons.

Still more definitely, the fact that certain mathematical tools have been applied in developing and presenting apologetic theories provides no reason for not using these tools. This is a matter of course. Nevertheless, Marxists often seem to refrain *in general* from using so-called "marginal reasoning" or "marginal concepts." Now, "marginal reasoning" is bound to occur with logical necessity whenever there is a question of maximizing or minimizing something, and this occurs in many connections in the analysis of economic problems.

Formalism in Mathematical Economics

Besides fairly evident apology, there is much barren formal-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ism to be found in the mathematical economics so far produced. (Formalism is of course not restricted to *mathematical* economics.) Such "economics" does not yield real insight into economic phenomena, nor does it serve effectively those who want theories which support certain ideologies. It therefore fails to attract the interest of anybody outside a narrow circle of economists and mathematicians who are mainly occupied by the formal aspects for their own sake.

This formalism is characterized by great mathematical efforts to prove theorems the economic contents of which are either obvious or uninteresting. It may also show up in very detailed analyses of systems which are based upon assumptions so artificial that the conclusions drawn are in any case irrelevant to economic problems.

There are of course several reasons for such formalism:

Firstly, many researchers may, because of their personal attitudes, be more interested in logic or mathematics than in the real phenomena which they are ostensibly investigating. This may of course also be true for other sciences than economics.

Secondly, it may be in some sense more comfortable to work on methods of analysis rather than applying the methods to real phenomena. This is probably more true for economics than for other sciences, because economics is very far from being an "exact" science and there are no, or practically no, possibilities of conducting experiments which could produce conclusive evidence. As a result I think, in no other science is so high a fraction of the total research effort put into formal "methodological studies" as in mathematical economics and econometrics.

Thirdly, a point which distinguishes economics from other sciences is that many problems which might attract the economist's interest are politically burning. Consciously or subconsciously, this may cause him to withdraw and seek refuge in some sort of formalism.

Finally, in capitalist countries neither mathematical-economic scientists, nor the results of their research, are used directly by governments to any great extent. This has left them in a sort of empty space. When there is hardly any chance that the theories will be used as a basis for action, one is less inhibited

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

about producing all sorts of artificial or unrealistic theories. And when theories are not tried out in practice, one almost never gets rid of a theory if it has been introduced in such a way as to attract some formal interest.

In order to avoid misunderstanding, I should perhaps add that mathematical economics has in my opinion also produced many important and useful results. In recent years the development of electronic computers has greatly increased the scope for bringing mathematical economics into contact with reality and thereby reducing formalism. (It is of course quite impossible to divide mathematical economics into two parts, the formalistic and the non-formalistic or the realistic and the useful. I would guess that every researcher in the field of mathematical economics is sometimes in doubt whether his research carries any real importance or is a waste of effort.)

In most cases, it would be impossible to point out individual papers or books and pin on them the label "formalistic," because each piece of research is conditioned by others. Also most papers, taken by themselves, treat problems which may deserve attention. Neverthless, the whole *trend* may be formalistic if there is too much concentration on special narrow problems.

Is "Mathematical Economics" a School of Political Economy?

In Marxian theory "mathematical economics" is often considered as a special school of bourgeois economics. We should now perhaps consider whether this is appropriate.

I would say it is not, and for the following reasons:

In the first place, there are applications of mathematics which are based upon Marxist conceptions.

Secondly, a large part of mathematical economics is of a rather technical nature, and concerns limited and well defined problems on which Marxists and non-Marxists need not necessarily disagree. This would apply to problems of production, technical aspects of the inter-relationships between branches of the economy, demand analysis, analysis of some sorts of effects of different types of taxes, and so on. Professor Oskar Lange has talked about "the professionalization of economics" in this connection.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Thirdly, within that part of mathematical economics that has political implications which contradict Marxist theory, there are certainly several sub-groups. There may, from the point of view of *political* economy, be more similarities between one of these sub-groups and some non-mathematical schools than between the different sub-groups of mathematical economics. From the point of view of political economy, therefore, the use or non-use of mathematics would seem to be a superficial and arbitrary criterion for defining schools.

In fact, within non-Marxist mathematical economics one finds represented schools ranging from advocates of pure *laisser faire* to schools which argue in favor of centralized economic planning but differ from Marxism in that they fail to analyze the social and political conditions which are necessary to make effective national planning possible.

In Marxist literature there is also often talk about "the econometric school" in political economy. Reference is usually made to the definition of econometrics as a "combination of mathematics, statistics, *and economic theory*." It seems that Marxists often think this definition ties up econometrics with some *special* economic theories. I think this is wrong. The definition quoted is only meant to say that statistics and mathematics cannot throw any light upon economic problems unless they are utilized in connection with economic theory. It is not meant to tie econometrics to any special school in economic theory. Another fact is, of course, that since econometrics has been developed in a few centers of economic research, the bulk of econometric work has in practice been closely affiliated with special schools of economic theory.

Mathematical Economics in the Soviet Union

Before concluding I will add a few remarks on the use of mathematics in economic analysis in the Soviet Union.

Generally, what is said above about the attitude of Marxists to mathematical economics holds also for Soviet economists. Besides, it seems that some rather unsuccessful attempts at application of mathematics were made in the 1920's. Through the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

period from the 20's to recent years the dominant attitude towards mathematical economics has therefore been negative.*

However, this has now definitely changed. There are many results of mathematical analysis to be found in recent Soviet economic literature; textbooks are published, extensive courses in universities are given, and there is now being carried out practical economic research with application of mathematics. I would suggest the following reasons for this change:

(1) In earlier periods the dominant economic problems in the Soviet Union were of such a nature that mathematics was not a natural or efficient tool for solving them. Mathematics cannot help much in answering such problems as: Should some sectors of the economy be left as private or not? Should the Soviet Union develop an economy which is dependent on other, more highly developed countries, or should she develop all basic branches of an industrialized economy? several reasons the development also had to be a very unbalanced one. Now, however, the Soviet Union has achieved an institutional system which is stable *with regard to its basic features.*** Also the basic branches of an industrialized country have been established. The issues now are therefore more centered around the objective of achieving a fast, balanced growth. This involves problems of balancing the different branches of the economy in an appropriate manner, of distributing the total investment among the branches in the most efficient way, of selecting the most economical production techniques among those which the engineers are able to devise, and so on. Such problems lend themselves to mathematical analysis to a far greater extent than the problems which were uppermost in earlier phases.

(2) It is well known that the Soviet Union in recent years has developed its educational and research system very widely and effectively.

---

*Mathematics has never been completely out of the picture, however. Soviet economists have in the period mentioned above made important contributions to demand theory (Slutsky, Konüs), trade cycle theory (Slutsky), programming theory (Kantorowich, Novozhilov).

**In details the institutions are changed very often. The ability to change or modify the institutional setup according to changing needs and technical conditions is a great economic advantage of the Soviet system.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(3) As already suggested above, modern computational equipment has opened new possibilities of applying mathematics to economic problems. In Soviet economic writing great stress is laid on this point.

(4) Maybe one should also put on record here the development of Western mathematical economics which has tended to separate out a sort of *technical* economics from *political* economy.

Now that the Soviet economists have started developing and applying mathematical methods, I myself feel sure that they will achieve great progress in this direction. They are able to put great resources into it, as is already evident, particularly in Leningrad; and they have the great advantage that mathematical economics can develop in a closer contact with reality than in capitalist countries. In a planned economy—in which the economist will play the role of a "social engineer"—the solutions yielded by mathematical economics can be tried out in practice and corrected. Research efforts can be steered away from false approaches and can therefore develop in a less formalistic direction than in capitalist countries.

It is sometimes argued that we must negotiate with the Soviet Union but only after we acquire still more military strength. Ignoring the fact that those who make this suggestion are often the same people who earlier felt we did not have to negotiate because we did have greater military strength, we should ask ourselves this: What would be our reaction if this were the Soviet position? Would we, or would we not, be more willing to negotiate with Moscow if the U.S.S.R. had still greater military strength? Negotiations aside, even demonstrable superiority is no real safeguard, for the capacity to destroy a nation once is really the equivalent of the capacity to destroy it fifty times.

—*Fred Warner Neal, U.S. Foreign Policy and the Soviet Union*

I have observed over a period of almost thirty years in the Senate, that there is something about buying arms with which to kill, to destroy, to wipe out cities . . . which causes men not to reckon the dollar cost as close as they do when they think about proper housing and the care and health of human beings.

—*Sen. Richard B. Russell, Chairman, Senate Armed Forces Committee, 1962.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WORLD EVENTS

By Scott Nearing

Rehearsing for the Big Show

Fifty billion dollars is a lot of money. Year in and year out United States war-making agencies are spending at or above the fifty billion level, getting ready to play a stellar role in the next phase of The Great War.

Big Shows are never spontaneous. They require detailed planning, extensive preparations, and carefully supervised rehearsals. Sham battles on parade grounds are insufficient preparation for the bloody mess of real total war.

Three decades back, in the early 1930's, the German General Staff was grooming its raw recruits for the Big Show of 1939-1945. Rehearsals were a "must." The Spanish Civil War of 1936-1939 provided an opportunity which Hitler's Third Reich was quick to seize. Relays of German military personnel, German war equipment, and German tactics were tested under battle conditions on the Iberian Peninsula.

For similar reasons, United States war-makers and their trappings are being tested at every opportunity. The Korean War of 1950-1953 provided one rehearsal. The French Indo-China War of 1946-1954 provided another. Currently, the war in Vietnam is giving about ten thousand United States fighting men their chance to try out their latest weapons and sharpen their new skills.

For the most part, the public prints do not emphasize this aspect of United States participation in the current wars in Asia. But the *Wall Street Journal* of November 9, 1962, printed a front page special article from Saigon under these headlines: "Pentagon Experts Use Vietnam War to Test New Tactics, Weapons. Pocket-size Flame Throwers Tried. Rotating U.S. Airmen Gain Combat-like Experience."

That is the story in concise headlines. United States fighting men are using small Asian wars to check out and improve their battle equipment and techniques.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Asians Fight Asians

Under its overall purpose to preserve and expand capitalism and to contain, constrict, and finally destroy Communism everywhere on the planet, Washington has made repeated attempts to persuade local governments to take the anti-Communist initiative in exchange for United States money, materials, and some manpower.

This policy was followed in Greece and Turkey under the Truman Doctrine, enunciated in 1947. It has been the chief motivating force behind the distribution of the tens of billions of foreign aid poured by the United States into three-score countries in the course of the Cold War. Likewise it has led to the organization of NATO, SEATO, CENTO—regional blocs dominated numerically by local nations but financed, maneuvered, and largely armed by the United States.

United States policy in the Cuban crisis of 1961-1962 has run true to form. Washington first committed itself unilaterally to the proposition that the Castro regime must go because it was a pro-Communist element in an otherwise anti-Communist Western Hemisphere. Half a century ago, in the sunny days of dollar diplomacy, the next step would have been a blockade of Cuba by naval units and a marine-led expedition to occupy the island until a new government, acceptable to Washington, had been set up.

Today, the fierce anti-colonial and anti-imperialist pressures necessitate other tactics. A direct United States military attack on Cuba would stir up a storm of resentment all over Latin America and might even lead to United Nations action similar to that in the Suez crisis. If a Latin American country is to be whipped into the Washington line, Latin Americans must be persuaded, bribed, or coerced into doing the whipping. Washington may organize and declare the blockade and provide the air cover, but the invading manpower must be Latin American and preferably Cuban.

This was the policy that led to the disastrous landing at the Bay of Pigs on April 17, 1961. It is the guiding principal governing current United States operations in Asia. Expansionist economic plans and political maneuvers are hatched in Washington. Their execution is left to "natives."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"Neutralism" has been a baffling stumbling block in the path of Washington's anti-Communist campaign. The most massive neutral has been India. Encirclement of the Communist areas has included the Atlantic, the Pacific, the Mediterranean, all three being currently patrolled by the United States naval and air units. But between the Mediterranean and the Pacific, the Indian Ocean and the Indian sub-continent (except for Pakistan) have resisted all of Washington's blandishments. Until the Indian-Chinese border dispute loomed as a major factor in Asian politics, the Indian area proved to be an effective barrier against Washington's encirclement strategy.

As we write, for more than a month large-scale military operations have been under way in the no-man's-land of the high Himalayas. The Indian government reacted to the early stages of the border war by calling upon London and Washington for large supplies of military equipment. London replied to this request positively but decorously. Washington answered the appeal for arms with a whoop of delight. India, the arch-neutral, the hardest nut to crack, the exponent of peaceful co-existence with Communism and leading advocate of the admission of People's China into the United Nations, was calling for arms to be used in a shooting war: Asians fighting Asians!

Here was a chance for Washington (1) to get a military toe-hold on Indian soil and thus close the circle around the Communist bloc; (2) to help pound the daylights out of "Enemy Number One" (People's China); (3) to drive a wedge deep into the split between China and the Soviet Union, thus dividing Communist Asia from Communist Europe; (4) and incidentally, through enlarged military spending, to end the five-year stagnation of the United States economy.

Such golden gem-encrusted opportunities come once in a century. This one arrived at the crucial moment when capitalism was attempting to regroup its shattered forces and re-establish itself in the former colonial areas of Asia and Africa. After years of stubborn neutralism, declared at the Bandung Conference and practiced through one crisis after another, the two most populous countries of Asia were involved in a border war, with one of them (India) calling on the two chief imperialist powers for military assistance.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Socialism Does Wonders for North Korea

North Korea's development since war's end in 1953 is a good example of the successes scored recently by collectivist regimes in Asia. Saddled with a heavy burden of war destruction, cut off from its historical food base in South Korea, the Democratic People's Republic of Korea has worked for a decade at socialist construction. Some of the results appear in *Statistical Returns of National Economy 1946-1960,* published in 1961 by the Foreign Language Publishing House, Pyongyang, Korea.

During fifteen years (1946-1961), North Korea's population increased by 17 percent, from 9.3 million to 10.8 million. In 1946 agriculture produced 72 percent of the total of farm and factory output. In 1960 industry produced 71 percent of the total. In the intervening 14 years, the Korean economy had shifted its major base from farming to industry. During the same period the Korean national income was multiplied by 7. In effect, the North Korean economy was "industrialized," "developed," "modernized," chiefly in the seven years following the terribly destructive 1950-1953 Korean War.

The North Korean economy was industrialized; it was also socialized. In 1946, 19 percent of the gross output came from state-owned enterprises, less than 1 percent from cooperatives, 61 percent from small private enterprises, and 20 percent from the private capitalist sector. In 1960, state enterprises accounted for 69 percent of output, cooperatives for 31 percent. The private sector had become negligible.

Multiplication of the national income made it possible to raise the wages of workers and office employees by 25 percent in 1954, 35 percent in 1956, 10 percent in 1958, and 40 percent in 1959, while retail prices declined. Real wages doubled between 1949 and 1960.

Increases in output and in national income made possible an immense advance in social services. Numbers of pupils in schools increased from 913,000 in 1944-1945 to 2,530,000 in 1960-1961. During the same period the number of kindergartens rose from 64 to 4,470; institutes of higher learning from 4 to 76.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Similar advances were made in publishing. Total newspaper circulation increased from 71 million in 1946 to 252 million in 1960; magazine circulation from 444,000 to 41,539,000; book production from 950,000 to 31,302,000 copies per year.

Public health services expanded with equal rapidity. There were 85 hospitals in 1946; in 1960, 447. Hospital beds numbered 2,031 in 1946; 32,698 in 1960. Health service centers for out-patients rose from 93 in 1946 to 4,364 in 1960. Crêches in 1949 numbered 12; in 1960, 7,626. There were 1,009 doctors and assistant doctors in 1946; 11,919 in 1960. Holiday homes and sanitoriums took care of 35,610 people in 1953; in 1960 they accommodated 358,000.

These spectacular advances have been financed by a rapid increase in the state budget. Less than half of the government revenues of 1946 came from the socialist sector. Taxes on the population accounted for 54.5 percent of total receipts. In 1960 the socialist economic sector provided 97.9 percent of the budgetary revenue. Taxes on the population had dropped to 2 percent.

Against this background of economic and social improvement in North Korea and of economic stagnation, political instability, and social chaos in South Korea, it is easy to understand the popularity of the North Korean slogan: "Drive out the U.S. imperialists and unify the country."

World Economic Survey

Each year the United Nations publishes a *World Economic Survey*. The volume for 1961 lists the annual rates of growth of gross domestic product in the developed free enterprise countries. Japan leads, with an annual growth rate from 1950 to 1960 of 9.5 percent. West Germany, with 7.5 percent, comes second. Italy is third, with 5.9 percent. Then come Netherlands, 4.7 percent; France, 4.3 percent; Australia, 3.9 percent; Canada, 3.8 percent; United States, 3.3 percent; Sweden, 3.2 percent; Belgium, 2.9 percent and United Kingdom, 2.7 percent.

Chapter 3 of the *Survey* takes up "Industrial Development in the Centrally Planned Economies" of which nine are listed,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

including People's China. "Between 1950 and 1959 industrial production in the centrally planned economies increased at an average rate of 13 percent per annum. While an exact comparison of this experience with that of other areas is not possible because of differences in methods . . . there is little doubt that the rate of industrial development in the centrally planned economies ranked among the highest achieved anywhere." (p. 87.) Despite this carefully guarded language, the conclusion is inescapable: central economic planning pays off.

Capitalism Swings into Line

Spokesmen for capitalism still publicize free enterprise, competition, and national sovereignty as the chief economic and political features of the Western Way of Life. Privately, however, they are up to their ears in economic planning.

Marshall Plan aid was distributed in Europe by the Organization for European Economic Cooperation (OEEC). With the Marshall Plan liquidated, the same nations, instead of slipping back to competition, private enterprise, and nationalism, are replacing OEEC by OECD (Organization for European Cooperation and Development).

OECD is much broader than the Common Market. Also, it operates at the ministerial level. OECD was organized September 30, 1961. *The Wall Street Journal* (November 27, 1962) describes it as "a forum where the U.S., Canada, and 18 European nations continuously discuss matters of mutual interest in the fields of economic policy, foreign aid, and trade and international payments." OECD, the *Journal* opines, "could have a greater impact on American pocketbooks than a dozen United Nations."

As OECD develops, it may very well change its name to ISPCD (International Summit Planning for Cooperation and Development).

The handwriting is on the wall. Planning pays. Competition, private enterprise, and national sovereignty are still useful as slogans; but survival and improvement will depend increasingly on coexistence, coordination, mutual aid, and purposeful planning, among all of the nations and peoples that enter the Power Age.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOKS

RADICAL DEPARTURE

BY NORM FRUCHTER

I'm not sure what critical reception Clancy Sigal's *Going Away** received in the United States; I hope it was better than the indifferent response English critics gave it. Certainly, the book is not publicized, cited, talked about, or read for what it is: one of the most acute blends of travelogue, reminiscence, social history, labor union analysis, political reportage, and self-revelation we are likely to get in this decade. Perhaps part of the negative critical response stems from the failure of Sigal's chosen form; he adopts the novel's conventions, uses a first-person narrator, never addressed by name, and attempts, in his introduction, to differentiate the narrator from himself, so that we are meant, I think, to feel that we are reading fiction rather than thinly fictionalized autobiography and reportage. But for me, the attempt failed; early in the book I was persuaded by the weight of precise detail and allusion that I was not reading fiction, but autobiography. One does not demand form in autobiography as one does in fiction, but critics insensitive to the relevancy and value of Sigal's material and experience may have insisted that it was not, as advertised, a novel, or else a very formless, arbitrary one. The distinction between fiction and autobiography rapidly becomes as blurred as the distance between the original, perceived reality and its fictional transformation, but the critics, especially those who determine a novel's reception in our literary marketplace, are only slightly less aware than the popular-novel-reading public that the gap between conventional fictional form and what I must call a contemporary consciousness with some integrity, has been widening to almost unbridgeable distance.

Sigal's book falls into that

The author, former assistant editor of the London New Left Review, recently returned to this country for publication of his first novel, *Coat Upon A Stick,* to be published by Simon and Schuster in February.

* Houghton Mifflin, 1962, $5.75.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gap, whether one calls it an autobiographical novel (Sigal subtitles it "A Report, A Memoir") or fictionalized autobiography. The form is a journey that his narrator begins in Los Angeles, and ends in New York City; in less than two weeks, the narrator roars across the continent in a borrowed red De Soto, looks up a series of old friends, fellow trade-union organizers, and former comrades, and sets into his travelogue-narrative incidents and reminiscences that identify, analyze, and document his friends and the battles they fought, and flesh out his own portrait. The time of the journey is the fall of 1956, and the narrator listens to the news from Hungary and Suez as he travels. In Boston, he signs a contract for his book, and in New York, after a journey which has assessed the meanings of his past experience and the present political state of this country, he decides to cut out and head for Europe. *Going Away* is, eventually, the record of one man's evolving decision to go away, but the book demonstrates this decision on several levels: through a precise detailed documentary of a cross-country journey, narrated by a severely disturbed consciousness; through flashbacks and interjected incidents set against the chronological narrative of the journey; through an ironic, rambling commentary running through both narrative and reminiscence.

What makes *Going Away* so formidable a work of social analysis and so valuable a document is Sigal's background; he is so far away from the dead or dying center of the "American community" that a sense of alienation or dissociation has been his objective experience. Raised in Chicago slums by parents who were labor organizers, a gang kid, and then a member of the League for Anti-Fascist Youth as an adolescent, an organizer for innumerable trade unions, a GI in Germany, more union work, a college student, a sound mixer for a recording firm, a taxi driver, a 16 mm. film cleaner, a Hollywood agent—all the varying jobs are chosen and worked through with Sigal's devotion to an American Socialist tradition, and his urge to discover its meaning and possibility for each particular slice of America that he encounters. Sigal's intellectual and spiritual ancestors are the men who waged the earliest labor battles and built the first unions, the legions of organizers who worked their hours and read the night away, Debs, Big Bill Haywood, the old-timers in the rock-ribbed unions like the Mine, Mill and Smelter Workers, the tough ones who made the AVB* long before the CIO merger. This is a tradition so severely eroded by the Hitler-Stalin pact, the war, the post-war boom, and the cancerous

* AVB is the fictionalized designation of what is presumably the United Automobile Workers (UAW-CIO).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

moral rot of McCarthyism that my own generation is almost untouched by it; few of us can read the time-map of American labor struggles with the analytical skill and love that inform all of Sigal's recountings. One of *Going Away's* most sustained and absorbing sections details the postwar fight in Detroit's AVB-CIO, in which the union's left and right wings fought each other for domination in a crucial, hopelessly bitter internecine struggle which the entire labor movement watched and evaluated. Sigal's form provides both a flash-back narrative of the battle, which the Left lost, and then an analysis of the larger social and political issues involved, from a later timepoint; the cementing of the gradual shift in American union policy, from radical political organization to bargaining agency, is documented and examined. The Hollywood sequences, especially Herman Weaver's visit to the movie capital, are small satiric masterpieces; Sigal's mastery of Hollywood argot and methodology combined with an acidly understated narrative produce funny yet angering set pieces. The most fictionalized sections in *Going Away* occur in Germany, where the narrator was a Tech Sergeant, and are set into the book in italics. These sections are so acutely intelligent and carefully managed that the intermittent wish I'd had throughout the book flashed again—why couldn't Sigal have written more of a novel?

The resulting book might have been far less complex and absorbing than *Going Away*. To detail and describe all the sections I liked would be impossible, but certainly the atomic bomb explosion the narrator witnesses, at dawn, over the desert, and his minor triumph as saboteur in the film-cleaning unit, are as good as the other sections I've mentioned. But beyond the triumphs of particular flashbacks and set pieces, Sigal's book manages a documentary of the American road that seems to me far better than that other recent celebrated travelogue, Kerouac's *On The Road*. I remember reading a review of Kerouac's book by Sigal (in the late, chaotically brilliant *Universities and Left Review*) and being startled by the gleeful, satiric attack on a writer I saw then as a kind of champion; I recognized, in Sigal's stance and tone, some strange breed of tough, beyond-hip, ideologically committed American. If one excerpted only the travel sections from Sigal's massive book and set them against Kerouac's, the difference would be significant: Kerouac's response is built on spontaneity, rhetoric, limited physical description, and a more limited ideological structure which defines the majority of Americans as having forfeited the nerves of experience and identifies downtrodden, minority groups as vital; Sigal's response is precise, subjective, and historically rooted. Precise, first, because Sigal employs a prose

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that never blurs, romanticizes, or slips into rhetoric; subjective because Sigal is always careful to differentiate his response, and the mental state that caused his response, from what he senses as the objective scene or situation; historically rooted, finally, because Sigal knows the past of this America he races through, and continually sets that past—an era of exploration by lonely whites, battles and raids by desperate Indians, another era of wild and bloody battles in the company towns, the Wobblies—against the graying, less vital present.

The other element that shapes *Going Away* is the narrator's consciousness, almost continually in a state of crisis that several times nears serious dissociation. He is constantly realizing that the voice he hears is his own, loses whole slices of time, combats several kinds of repetitive "brain music" by whiskey, nonsense songs, impossible speeds, commits symbolic acts he knows are ludicrous as he does them, calls himself long distance without realizing why no one answers. The vision of a particular mental institution in Wyoming haunts him constantly, and his hold on his sanity ebbs and flows throughout the book. But the narrator understands the battle for a durable edge of sanity that he is waging, and sees its relationship both to the individual battles all his friends and former friends must fight to stay mentally and spiritually alive, and to the far larger battle within our society. If I judge Sigal's intentions correctly, the pressures on and fragmentation of the narrator's consciousness are central to the book's attempt to reveal one individual's formative experience and make transparent his final decision to quit this country.

This is where I think *Going Away* fails, and yet fails is too harsh a word, since this area of connection between individual consciousness and social-historical experience is one with which all our finest novelists have been grappling. It is a cliché, in literary circles today, to say that the realities we variously and collectively live with have eluded and overwhelmed the fictional forms with which we attack them. What we are witnessing is the increasingly skilled production of a multiplicity of conventional novels so "readable" they almost make the reader superfluous, and yet have nothing to do with our experience; but we are also watching, in the work of Robbe-Grillet, Sarraute, and Butor in France, Lessing in England, and Mailer (in the Prologue to *Advertisements for Myself on the Way Out*), Burroughs, and Purdy in this country, the discarding of conventional narrative forms and the development of new forms able to sustain and carry contemporary consciousness. Sigal's book fails, I think, to connect his narrator's consciousness with his experience, except in a general theoretic way, and I think that failure to connect stems from

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the inadequacies of the form that Sigal chose. What I mean is that the narration, by that torn, menaced, occasionally dissociated consciousness, begins from a point in time after the book ends, and hence is constant. There is no development; the narrator's style, tone, commentary do not change. Past incidents are set against present narrative; thus there is no evolution of consciousness, no growth that we can perceive, feel, and understand. Also, since Sigal has chosen to narrow to as fine a distance as possible the gap between occurrence and fictional transformation (MONTHLY REVIEW becomes "a small socialist journal called *Review of the Month*"), the book cannot help but feel arbitrary. Nothing that is included in a work of fiction can be justified merely because "it happened that way," but there are too many incidents, occurrences, and scenes in *Going Away* that seem to me to have no other justification. Arbitrariness is permissible in autobiography, but not in the kind of fiction that attempts to explicate and reveal what forms our consciousness. Sigal has been honest enough not to try to whittle down the wheel of his experience into a form that would "work" but would involve a diminished, trivialized consciousness; but *Going Away* does not manage a form that makes his narrator's consciousness connect with his experience. Still, the kind of failure that *Going Away* represents would make successes of too many smaller books; it may be that nobody will succeed where Sigal failed, and his attempt makes valuable reading.

Why has silence overtaken us? Why has the pattern of no discussion reached into atomic testing, disarmament, Berlin, and other issues that involve the problems of survival or extinction? Is foreign policy—the key of life in this nuclear age—beyond the bounds of debate? If so, how can we, the people, ever free ourselves from military domination and assert our sovereign civilian prerogative over all affairs of state—over war as well as over peace?

Supreme Court Justice William O. Douglas.

The revolutionary concept of a meaningful future is, in our lifetime, seizing the minds of the masses. The real challenge to the United States is how to promote this trend towards a better future for all humanity. I believe that this promotion should conceivably be to ensure the proper use of the fruits of wealth, so as to ease the contrast between its own abundance and the poverty of mankind elsewhere.

—U Thant, December 2, 1962

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW WORLD REVIEW

Only American magazine devoted exclusively to East-West relations and peace

US-USSR DISARMAMENT NEGOTIATIONS

J. P. Morray regularly reports in detail on progress of the Geneva Disarmament Conference

LIFE IN THE SOCIALIST COUNTRIES

Eye-witness reports on USSR, China, Cuba, GDR, Hungary, Poland, Bulgaria, Rumania, Czechoslovakia

Coming:

Reorganization of Economic Planning and Management in the USSR: an Analysis

The Peace Movement in the United States

The Cultural Exchange Program

$3.50 for one year $1.25 for 5-month trial sub

NEW WORLD REVIEW, 34 West 15th St., New York 11, N. Y.

(advertisement)

Just Arrived—

An interesting and stimulating study which will stir discussion and debate.

E. VARGA: **20th Century Capitalism,** 157 pp, paper 75¢

In Stock

DOCUMENTS ON SOVIET FOREIGN POLICY, 1956-1962, cloth 1.25

DOCUMENTS OF THE 22nd CONGRESS, CPSU, cloth 2.50

MARX & ENGELS: **On Colonialism,** cloth 1.50

V.I. LENIN: **Collected Works,** new ed. Vols. 1-11 & Vol. 38, Philosophical Notebooks, cloth 1.50 (per vol)

Soon To Arrive

THEORIES OF REGULATED CAPITALISM, articles, hard-paper 1.00

V. RIMALOV: **Economic Cooperation Between USSR & Underdeveloped Countries,** paper .60

No order less than $2.00. Please add 10% for postage and handling. N.Y.C. residents, add 3% sales tax.

Free catalog supplied on request.

Order From:

WORLD BOOKS

747 Broadway (near 8th St.) New York 3, N. Y.

(advertisement)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(*continued from inside front cover*)

joined but feel you can now up the ante, please do that too. Remember that the extent of MR Press's publishing program depends on the extent of your support.

We are glad to be able to announce that Frances Kelly, a writer and former Business Manager of the (British) *New Left Review,* has joined the staff of MR as Assistant to the Editors.

From all we have been able to gather, the ladies of Women Strike for Peace did a marvellous job on the Un-American Committee. We wish we could have been there when Dagmar Wilson told the dolts that she would be delighted to have Communists in the movement because unless everybody could be won over to peace there would be no future for anybody. We salute Mrs. Wilson and her cohorts and hope the encounter with HUAC will result in an upsurge of the peace movement. Meanwhile, readers will be interested in a booklet entitled *The Story of Disarmament, 1945-1962* produced by the Disarmament Committee of the Washington WSP. This is intended to help the average citizen understand the various proposals for a test ban and disarmament. The price is $1 per copy. Order from Women Strike for Peace, 1822 Massachusetts Ave. N.W., Washington 6, D.C.

Speaking of peace, the Jamaica Book Center (146-16 Jamaica Ave., Jamaica 35, N.Y.) has put out a catalogue of Peace Literature which is available on request. We are pleased to note that not only MR but also quite a few MR Press books are included.

Northwest Students for Peace, which includes students from Portland, Seattle, Tacoma, and Vancouver, will hold a Northwest Student Conference on the Cold War during January. Please address all inquiries to Lawrence Gordon, 5022 SE 45th, Portland 6, Oregon (*not* to us).

Many thanks to all who sent in gift subs and gift orders for MRP books. We apologize for not being able to thank each of you personally. In this connection, we should perhaps extend the apology to those who have written us words of commendation, criticism, or suggestion and whom we have not been able to answer personally. We started out with a policy of replying individually to all communications, but correspondence has long since grown beyond the point where that is possible.

Letter of the Month:

Thank you for a year of excellent reporting. I hope that the Kennedy Krises of the coming year will come to as mild a conclusion as the last one.

I notice that the local arms plant has its Christmas decorations out—how fitting and typical. I wonder if these promoters of crises do not find it a bit difficult to clasp their hands in prayer with a machine gun in one hand and a napalm bomb in the other.

HAVE *YOU*
JOINED THE
ASSOCIATES YET?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MR PRESS is proud to announce the forthcoming publication of

The Life and Ideas of

ROBERT OWEN

by A. L. Morton

"Then a twenty-nine-year old manufacturer came on the scene as a reformer, a man of almost sublimely child-like simplicity of character and at the same time a born leader of men such as is rarely seen. . . . All social movements, all real advance made in England in the interests of the working class were associated with Owen's name."

FRIEDRICH ENGELS, *Anti-Dühring*

This is a clothbound book, 187 pages
Price on publication (March) $3.50
Save $1.25

Order now at prepub price $2.25

Send your order, with payment enclosed, to

Monthly Review Press 333 Sixth Ave. New York 14, N. Y.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED